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Heartland Fax inside

Intellectual Ammunition

a publication of The Heartland Institute

Potshots

The Second Amendment is the canary of liberty. When it dies, it will be time to get nervous about your prospects as a free American.

—Charley Reese

You cannot put a rope around the neck of an idea; you cannot put an idea up against a barrack-square wall and riddle it with bullets; you cannot confine it in the strongest prison cell that your slaves could ever build.

—Sean O'Casey

Computers must be male: They're typically obsolete within five years and need to be traded in for a new model. Some users, however, feel they've already invested so much in the damn thing that they're compelled to remain with an underpowered system.

Computers must be female: As soon as you make a commitment to one, you find yourself spending half your paycheck on accessories for it.

Federal aid is like a man getting a blood transfusion by taking the blood out of his right arm, putting it into his left arm, and spilling about half of it on the way over.

—Sydney Herlong Jr.

If you think advertising doesn't work—consider the millions of Americans who now think that yogurt tastes good.

—Joe Whitley

Recycling Litters Nation with Failure

David Rothbard and Craig Rucker

Eleven years ago, a lonely garbage barge called the *Mobro 4000* wandered the high seas in search of some place to dump its load. The barge, filled with more than 3,000 tons of New York City trash, had set sail from Long Island destined for a landfill in rural North Carolina. But when the ship was refused permission to drop anchor in the Tar Heel State, it traveled for two months and more than 6,000 miles looking for a place to leave its pungent cargo. Ultimately, it was forced to trudge back home, where its garbage was eventually burned in a Brooklyn incinerator.

As it turns out, poor logistics and bad P.R. were the causes of the Mobro's ill-fated voyage. But that's not what the public was led to believe. With a made-to-order photo-op floating right out there on the open water, environmentalists finally had "proof"—true or not—of the so-called "garbage crisis" they were desperately trying to sell.

It didn't matter that, according to *New York Times* writer Jeff Baily, "The Southeast had (and still has) an abundance of dump capacity and was accepting thousands of tons a week of waste arriving by truck."

For here, at last, was confirmation that America's landfills were bursting at the seams. And here was stark evidence that the Green's favored mantra of "reduce-reuse-recycle" was the only answer. So with the help of much sensationalized media, the Mobro quickly became the symbol of a nation burying itself in its own trash.

In the years that followed, recycling exploded across America. With little evidence to support the need for recycling, more than 40 states enacted hefty recycling goals ranging from 25 percent to 70 percent of all municipal trash. In the four years leading up to 1992, the number of local curbside collection programs increased by more than 400 percent, to a total of over 5,000.

But a decade after the Mobro brought its barnacled hull back to the Big Apple, recycling's "chickens" have come home to roost. With outrageous costs spawned by unreachable goals now weighing down these efforts nationwide, communities across the U.S. are being forced to alter, scale back, or abandon their recycling efforts altogether, and environmentalists are being forced to up the ante with a push for more coercive measures.

continued on page 3

In This Issue

Crime 4
Education 5
Environment 6
Health Care 7
Law 8
Privatization 10
Regulation 11
Taxes 12
Welfare 14
Point of View 15
Excerpt 18
Contacts 20

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Plastics?

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The Society of the Plastics Industry and The American Plastics Council.

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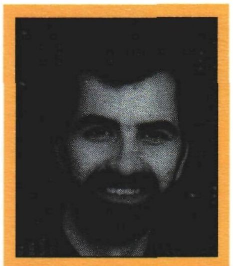

News from the Heartland

by Joseph L. Bast
Publisher

Mark Twain once said it isn't what we don't know that causes problems, it's what we think we know that just isn't so. His point is well illustrated by the public debate over public policy. The columns and guest essays in this issue of *Intellectual Ammunition* debunk many of the leading public-policy myths of the day. Here's a sample:

- *Myth:* We are running out of landfill space. *Fact:* Safe and inexpensive landfill space in the U.S. is in abundant supply.
- *Myth:* Recycling pays for itself. *Fact:* The higher collection costs of recycling generally exceed whatever amounts communities save in landfill fees.
- *Myth:* We can recycle 25 percent, even 50 percent of municipal waste. *Fact:* State and national recycling goals are set arbitrarily and are often impossible to reach.
- *Myth:* Requiring police to give the "Miranda warning" doesn't adversely affect their ability to solve crimes. *Fact:* Since *Miranda v. Arizona,* the rate of voluntary confessions has fallen steeply, reducing the rate at which violent crimes are solved by 9 percentage points.
- *Myth:* Population growth and suburban sprawl threatens farmland. *Fact:* Cropland in the U.S. covered the same percent of land in 1992 as it did in 1945.
- *Myth:* School vouchers for religious schools would be unconstitutional. *Fact:* So long as the government gives no preference to religion, it does not matter where a paycheck, welfare check, or scholarship is spent.
- *Myth:* States with low income taxes are low-tax states. *Fact:* States generate more income from general sales and use taxes than from income taxes, and nearly 20 percent of revenues come from other non-income-based taxes.
- *Myth:* Spending on welfare programs has been cut. *Fact:* Federal spending on welfare is at historic highs both in real dollar terms and as a percent of national income, and it is projected to grow at twice the rate of inflation for the next five years.

Sound public policies can hardly result from a process dominated by myths rather than facts. Yet many of the most important topics of public policy debate today are driven by popular myths, while unpopular facts are studiously ignored.

If you know someone who is grappling with some of these myths, please consider passing along to them this copy of *Intellectual Ammunition* (after you've read it, of course!). Or call Heartland Director of Marketing and Public Relations Eric Caron at 312/377-4000 to request additional copies.

We've moved! Note our new address: The Heartland Institute, 19 South LaSalle Suite 903, Chicago, Illinois 60603. Our new phone number is 312/377-4000, and fax 312/377-5000.

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continued from page 1

Costs through the Roof

The principal problem with recycling in America today can be summarized in one word: Cost. The reason for this is simple. The success or failure of a recycling program depends primarily on its ability to recover its collection costs by selling the collected material at a decent price. But with government-mandated goals flooding the nation with more recycled materials than the market can handle, old bottles, cans, and newspapers are fetching only bargain-basement prices, while program expenses are going through the roof.

New York Times Magazine reporter John Tierney, describing New York's recycling program, wrote:

> *For every ton of glass, plastic, and metal that the truck delivers to a private recycler, the city currently spends $200 more than it would spend to bury the material in a landfill. Officials hoped to recover this extra cost by selling the material, but the market has never been anywhere even near $200. In fact, it has rarely risen as high as zero.*

New York City doesn't stand alone. In Pittsburgh, the situation became so bad that by mid-1996, no company was willing to bid on a city contract to pick up curbside assortments—*even if the city let them do it for free!* Recyclers in Boston have openly confessed to dumping their collectibles in local landfills. In San Jose, where spending on libraries and parks has been cut because of budget ills, curbside recycling has cost the city a whopping $5 million a year over each of the last two years.

A Closer Look at Goals

Some recycling in America would occur if the only thing fueling it were the free-market values of supply and demand. Unfortunately, *in a culture where recycling has become an end in itself*, it is the government, not the market, that calls the shots.

A nationwide recycling goal first became a reality when it was put forth in 1988 by then-EPA assistant administrator J. Winston Porter. But while Porter recommended only a voluntary goal of 25 percent for the nation (with 10 percent already being recycled at that time), many states had more ambitious ideas. New York and California, for instance, mandated 50 percent; New Jersey went for 60 percent; and Rhode Island wanted a cosmic 70 percent of its trash to be recycled.

> *Communities across the U.S. are being forced to alter, scale back, or abandon their recycling efforts altogether.*

Such a massive push for recycling was more than the market could bear. According to Porter, these goals are grossly unrealistic. "Nearly one-quarter of municipal trash is almost literally non-recyclable, including such items as dirt, kitty litter, food scraps, and broken toys. Hence, to reach a 50 percent rate, about three-quarters of the 'recyclable' items would actually have to be recycled."

It's little wonder, then, that many communities are falling short of their goals. In California, the 50 percent recycling goal is supposed to be reached by the year 2000, but even with penalties set for localities failing to meet this figure, the state is now only in the mid-20 percent range. In Texas, a 40 percent goal was to have been reached by January 1994, but the state is currently recycling only 15 percent and no adjustments have been made to the target.

> *With plentiful landfill space and state-of-the-art incinerators safely operating in many communities, there's no pressing reason for America to recycle more than the market would dictate.*

"I'm not trying to be the guy who says there's no tooth fairy," says Porter, "but recycling doesn't always make sense."

The Next Step: Mandates

Indeed, recycling doesn't always make sense. And with plentiful landfill space and state-of-the-art incinerators safely operating in many communities, there's no pressing reason for America to recycle more than the market would dictate. But such inconvenient facts certainly aren't stopping some environmentalists from trying to force it on everyone else.

First, they are doing everything they can to ensure that communities do not back away from current failing programs. So while New York City was chopping its recycling program by $19 million in 1996 and discontinuing pickup in many parts of the city in a desperate attempt to curb its enormous costs, the National Resources Defense Council was dragging the Giuliani administration to court to force the mayor to pursue the rigid 25 percent goal found in the city's 1989 recycling law. And in Washington, DC, where the Barry administration announced plans to close its recycling collection program altogether and explore less-costly options, the Sierra Club has applied pressure to force resumed funding for the gutted effort.

For some environmentalists, even the burdensome status quo is not sufficient. For them, only some kind of new and massive top-down approach to recycling will do. They model their proposals after the infamous German "Green Dot" program—in which companies are required to absorb all the disposal costs for their packaging and oversee it from "cradle to grave." Some experts say such a program could increase our waste management costs by $4 billion per year and probably increase air and water pollution and energy consumption.

In the end, adoption of the "Green Dot" program may be the best thing that could happen to recycling in the U.S. Adopting higher goals, stiffening penalties for failure, and incurring substantially greater costs might awaken the public to the flawed realities of recycling. It might then be possible to put the brakes on this dump truck-sized national craze.

❖

David Rothbard and Craig Rucker are on the staff of the Committee for a Constructive Tomorrow (CFACT). For more information, contact CFACT at P.O. Box 65722, Washington, DC 20035; phone 202/429-2737; fax 301/858-0944; email cfact@dgs.dgsys.com. Request the group's 13-page briefing paper on recycling ($5 plus $2.95 for postage and handling.)

Crime

Morgan O. Reynolds

Morgan Reynolds is director of the Criminal Justice Center at the National Center for Policy Analysis.

Three Decades of *Miranda* Warnings

During the 1960s, the Supreme Court, led by Chief Justice Earl Warren, revolutionized the criminal justice system by carving out new rights for criminal suspects. Chief among them, as virtually every viewer of TV cop shows knows, were the so-called *Miranda* rights.

In *Miranda v. Arizona* (1966), a 5-4 majority ruled that a suspect's voluntary confession to a crime cannot be used as evidence in court *unless* the suspect first had been advised of four rights: "You have

- the right to remain silent,
- anything you say can be used against you in a court of law,
- you are entitled to an attorney,
- if you cannot afford an attorney, one will be provided to you without charge."

The warning was an extraordinary stretch of our Constitution's Fifth Amendment, which reads in part, "No person . . . shall be compelled in any criminal case to be a witness against himself." The Court's *Miranda* decision immediately overturned the convictions of four career criminals. All had confessed voluntarily to their crimes, but the Court found inadequate the advice given by the police to the suspects.

Warren, writing for the majority, said that the officers did not go far enough to "insure that the statements were truly the product of a free choice." The Court admitted that there was no "overt physical coercion or patent psychological ploys" and that the confessions were not "involuntary in traditional terms."

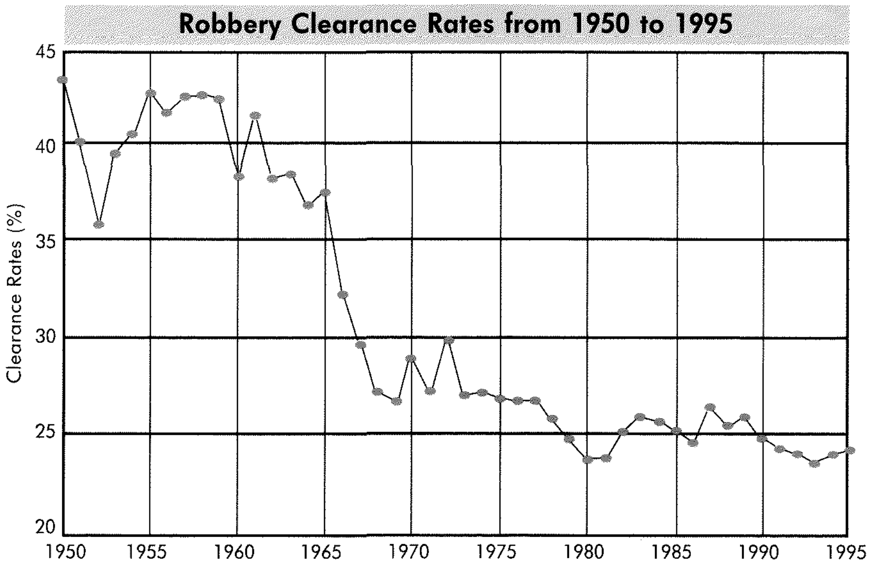
Dissenting Justice Byron White angrily noted that, by the Court's view, "in-custody interrogation is inherently coercive." The dissenters argued that "the Court's new code would markedly decrease the number of confessions. . . . To require an express waiver by the suspect and an end to questioning whenever he demurs must heavily handicap questioning."

Daniel Webster once observed that "the guilty soul cannot keep its own secret," and police officers and psychologists often observe that the guilty have a natural urge to confess because they want to free themselves from a terrible burden.

Has *Miranda* thwarted police efforts to solve crimes? Yes, according to an important new study by Paul Cassell and Richard Fowles, both of the University of Utah. Their study, forthcoming in the *Stanford Law Review*, finds that:

- Between 1966 and 1968, confessions fell from about 60 to 45 for every one hundred arrests.
- As a result, the clearance rate for violent crimes dropped by 9 percentage points. (A crime is counted as cleared when police consider it solved—even if there is no conviction.)
- Although these reductions sound small, they translate into 152,000 fewer violent crimes and 357,000 fewer property crimes solved each year.
- The drop has been due primarily to a decline in confessions—with almost half of suspects in Pittsburgh, for example, confessing to crimes pre-*Miranda*, compared to one-third in the two years after *Miranda*.

The data confirm that clearance rates fell sharply all over the country immediately after *Miranda*, and remained at these lower levels over the next three decades. Cassell and Fowles conclude, "*Miranda* is marked as perhaps the single most damaging blow inflicted on the nation's ability to fight crime in the last half century. . . . It is time to consider removing those shackles and regulating police interrogation in less costly ways."


Robbery Clearance Rates from 1950 to 1995

Available on *PolicyFax*

Crime and Community

Outlines the case for community crime control, where residents combine their efforts with the criminal justice system to maintain social order. (The Commonwealth Foundation, September 1996, 4 pp.)

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Education

Business Leaders Enter Reform Debate

George Clowes

George Clowes is managing editor of *School Reform News*, a monthly newspaper published by The Heartland Institute.

A new study issued by the Manufacturing Institute, the educational and research affiliate of the National Association of Manufacturers, finds that more than 40 percent of all 17-year-olds can't compute well enough, and more than 60 percent can't read well enough, to perform a $33,000-a-year production job in a modern auto plant. Today's employers must hire college graduates to get skills that should have been learned in high school.

The Institute endorses school vouchers, charter schools, public school choice, and K-12 education savings accounts as the first of six policy prescriptions that would ensure that workers develop the skills needed to meet the challenges of the 21st century economy.

"Businesses understand that choice and competition improve performance," notes NAM President Jerry J. Jasinowski in his foreword to the report, *Education and Training for America's Future*.

> *Concern over education is widespread, deep, and growing among small businesses.*

NFIB-Texas Embraces Vouchers

The Texas state chapter of the National Federation of Independent Business has embraced Putting Children First, a nonpartisan grassroots organization promoting school choice. More than two-thirds (69 percent) of the chapter's 40,000 members—mostly small business owners—support a proposal that would allow students to use tax dollars for tuition at the school of their choice.

"Concern over education is widespread, deep, and growing among small businesses," said NFIB's Robert Howden. "The overwhelming majority of our members have expressed strong support for a school choice program."

NFIB-Texas joins an impressive list of voucher supporters in that state, including Democratic Lt. Governor Bob Bullock, who agreed last November to become Honorary Chairman of Putting Children First.

Ohio Small Businesses Oppose Tax Hike for Schools

In apparent disagreement with the Ohio Supreme Court, which recently ruled the state must increase its education funding, only one out of three Ohio small business owners believes that too little is being spent on public education.

The Ohio affiliate of the National Federation of Independent Business polled 1,480 small business owners from across the state, revealing that nearly 78 percent oppose increasing any state tax to comply with the Court's order.

"Clearly this survey shows that Ohio small business owners, which account for more than 95 percent of all businesses in the state, have not yet been convinced that throwing more money at our public schools is the answer to education reform," said Roger R. Geiger, NFIB-Ohio state director. "Proponents of increasing taxes in the name of education have not done a very good job of convincing Main Street of the need to raise hundreds of millions of new tax dollars."

Rather than increasing taxes, 58 percent of respondents believe that reducing state spending is one solution to provide more money for education. Seventy-seven percent of survey respondents also said that school funding legislation should require schools to meet accountability standards before they receive specified levels of funds. Sixty-three percent oppose allowing school districts to propose to voters levies that allow for inflationary growth of tax revenue from all real property.

Small employers are particularly concerned about proposed changes that could increase property taxes. According to Geiger, the net effect of the changes would be to shift the tax burden from large corporations to small businesses.

"It is imperative that the cost of complying with the Supreme Court ruling is not forced disproportionately onto the backs of Ohio's small businesses," said Geiger.

Economic Growth Depends on Improving Education

In a poll conducted last fall for the California Business Roundtable, 94 percent of California business leaders and 86 percent of California voters reported their support for setting performance and academic standards for public schools.

An even greater number, 97 percent of business leaders and 90 percent of voters, supported proposals that would place greater emphasis on learning the basics (3 Rs). A majority of respondents in both categories (80 percent business leaders, 78 percent voters) favor a statewide test to measure achievement in California's public schools.

Overall, respondents agreed that improving K-12 education is the most important policy effort for California's future economic growth. Business leaders (88 percent) and voters (72 percent) also overwhelmingly support merit pay for public school teachers.

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Education and Training for America's Future
The National Association of Manufacturers endorses educational choice. (Manufacturing Institute, Feb. 1998.)

Call 312/377-3000
Request documents #2292401 (12 pp.) and #2292402 (10 pp.)

Environment

Jonathan H. Adler

Jonathan H. Adler is director of environmental studies at the Competitive Enterprise Institute.

What Farmland Crisis?

The American Farmland Trust (AFT) insists that farmland is disappearing, a victim of urbanization, population growth, and suburban sprawl. "The land, fruitful and ever abiding . . . is quietly vanishing," maintains AFT President Ralph Grossi. The group's literature warns that "Environmental quality and the integrity of our communities are being progressively degraded." To address those concerns, the AFT calls for growth management laws, agricultural protection zoning, and other local ordinances to control land use.

The AFT is not alone in its farmland preservation crusade. In January, New Jersey Governor Christine Todd Whitman announced a plan to lock up one million acres of New Jersey farmland and open space over the next decade through government land-use controls and the purchase of easements.

The last thing American landowners need is another pretext for governmental controls on private land use. There is no farmland crisis. Contrary to the AFT's claims, the amount of farmland in the United States has stayed relatively constant over the past 50 years. Cropland accounted for 24 percent of land in the U.S. in 1945 . . . and, in 1992, cropland still covered 24 percent (see chart).

The percentage of cropland that is under plow may be declining. While the amount of cropland increased from 1925 to 1992—from 390 million acres to 435 million acres—the amount harvested declined from just over 344 million acres to under 300 million. That was not due to urbanization and suburban sprawl, but rather to increased farm productivity. Federal farm subsidies play a role as well; nearly 40 million acres were kept out of production by the U.S. Department of Agriculture in 1992. Nevertheless, increases in food production have more than kept pace with increases in population and food demand.

A new Competitive Enterprise Institute study on the policies of the American Farmland Trust, "Taking Private Land for Private Interests: The Agenda and Policies of the American Farmland Trust," demonstrates that the AFT's land-use control policies are solutions in search of a problem. The study's author, James Riggle, is a former AFT analyst. Riggle argues that the AFT's policies don't protect local communities or prevent sprawl, but they may benefit wealthy landowners at the expense of everyone else.

Although the AFT's policies are pursued in the name of farmland preservation, it is farmers that may be hurt the most as their land values drop due to the imposition of land-use controls. New forms of zoning are hardly landowner-friendly. Their biggest burden is often felt by smaller landowners who cannot afford to navigate the new regulatory requirements that the AFT's agenda would impose. Larger corporations and the wealthy owners of landed estates rarely face such problems—nor do big developers.

If the AFT is worried about the break-up of farms and the on-rush of development, there are sounder policies it could pursue. One would be repeal of the death tax. If you inherit land in this country, you can be walloped with a one-time estate tax of up to 55 percent. As a result, if land is not developed at the time of inheritance, it will be soon thereafter. This is especially true for countless rural Americans who are "land rich and cash poor." For them, subdividing or developing inherited land is the only way to pay the estate tax. Thus, the death tax encourages the break-up of family farms and conversion of the land to industrial or residential use. The result is the loss of farmland, species habitat, and other undeveloped land uses.

There is no farmland crisis. But even if there were, more land-use controls would not be the solution.

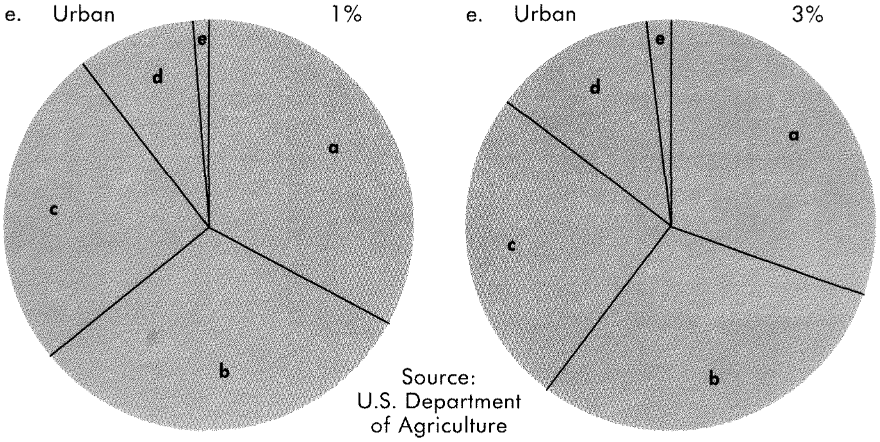
U.S. Land Use by Type, 1945 and 1992

1945

a.	Grassland	34%
b.	Forest	32%
c.	Cropland	24%
d.	Miscellaneous	9%
e.	Urban	1%

1992

a.	Grassland	31%
b.	Forest	30%
c.	Cropland	24%
d.	Miscellaneous	12%
e.	Urban	3%



Source:
U.S. Department
of Agriculture

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Dennis Avery: The Future of Agriculture
America's research capabilities and agricultural resources should allow us to lead the world toward increased agricultural productivity. (Hudson Institute, Global Food Quarterly, Spring 1997, 4 pp.)

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Request document #0470201

How We Lost Our Health Care Freedom

Joseph L. Bast

Guest columnist Joseph L. Bast is president of The Heartland Institute.

The spread of managed care programs during the late 1980s and early 1990s stopped a long-term trend in rising health care spending. It has accomplished this by using "gatekeepers" to restrict and delay access to treatment, delegating treatment decisions to people with little medical training, and reducing the amount of time physicians spend with patients.

We are now witnessing a backlash against managed care, which has resulted in a plethora of proposed legislation, most of it bad, aimed at appeasing angry patients. The federal legislation receiving the most attention is the Patient Access to Responsible Care Act (PARCA), sponsored by Rep. Charlie Norwood and Sen. Alfonse D'Amato.

Finding our way back to health care freedom will require more than simply retracing our steps. Bad policies are often justified by the faulty policies that preceded them. If we are to succeed we must start with a "clean slate"; that is, repeal health care regulations in the order in which they were enacted.

> *Once a "clean slate" health care reform agenda is implemented, competition, not regulation, would keep health care costs and insurance premiums low.*

The Road to Freedom

The first assault on freedom in health care occurred in the 1930s, when the American Medical Association (AMA) was given the power to certify medical schools, enabling it to reduce the supply of doctors and limit the public's access to the professional records of doctors and hospitals. As a result, consumers today have fewer choices, higher prices, and less information.

Step one, then, is to revise laws regarding certification, licensing, and standard-setting to encourage the creation of competing private entities that can perform many of the functions now performed exclusively by government agencies or the AMA.

During World War II, government wage and price controls led some employers to offer health insurance as a way to attract workers. After the war, for tax purposes employer-provided insurance benefits were treated as business expenses rather than as earned income, making them tax exempt. Over the next three decades, health care financing changed dramatically.

Individuals no longer paid expenses out of their own pockets, and insurers no longer paid only specified dollar amounts for insured conditions. The system came to be overwhelmingly financed by insurers retained by third parties (usually employers). Demand for health care soared, as patients no longer balanced the benefits of care against their costs. Since the supply of health care services was constrained by the AMA, prices went up.

The second step back to health care freedom, then, is to make insurance premiums paid by individuals and the self-employed 100 percent tax deductible, and to allow everyone to open Medical Savings Accounts (MSAs)—tax-sheltered savings accounts from which medical expenses can be paid directly.

Medicaid and Medicare, launched in the mid-1960s, today inject hundreds of billions of dollars annually into the health care market. That cash infusion dramatically increases demand for health care, and because payments are made to providers rather than patients, millions of consumers are immune to price considerations. Medicaid and Medicare can be reformed by giving the poor and the elderly vouchers with which to purchase insurance in the private marketplace.

Clean Slate Means No Managed Care

Because the unemployed and their dependents are left out of a system that rewards employer-provided insurance, legislation was adopted in 1996 forcing insurers to write policies for the first group and subsidizing insurance for the latter. As a result, we've seen a wholesale abandonment of the individual health insurance market by many insurers and huge premium increases. The cost-cutting efforts by managed care plans produced a backlash by angry doctors and patients, resulting in a raft of pending laws to impose still more regulations on insurers and providers.

Here is where the "clean slate" agenda pays its greatest dividend. *Managed care wouldn't be necessary if the reforms described above were adopted.* Individuals, not employers or the government, would purchase and own most health insurance policies. More health care spending would be paid directly by individuals, rather than by insurance companies or the government. Competition, not regulation, would keep health care costs and insurance premiums low.

How realistic is it to call for the repeal of such long-lived policies as the AMA's control over the certification of medical schools? Let *me say only that the desire for a quick and* easy solution to rising health care spending led the business community to embrace managed care a decade ago. That choice was a foolish one, and we are paying for it today with our health care freedoms. i

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How to Implement Kassebaum-Kennedy
Reviews the options available to state legislators under the Health Insurance Portability and Accountability Act. (The Heartland Institute, March 1997)

Call 312/377-3000
Request document #3236420 (part 1, 12 pp.) and 3236421 (part 2, 13 pp.)

Law

Eugene Volokh

Eugene Volokh teaches free speech law, religious freedom law, and church-state law at UCLA Law School.

Equal Treatment: How Best to Separate Church and State

Imagine that your local fire department decided not to put out fires at synagogues and churches, or that the police decided not to answer their calls. "So sorry," they'd say, "there is a wall of separation around your church, and we cannot cross it to help you. Hire your own fire protection. Hire your own security guards."

Most of us would be outraged by such discrimination, and rightly so. While we agree that the government should not specially favor religious institutions, it should not discriminate against them, either. The government should separate itself from religion by treating everyone equally regardless of religious affiliation.

It is no different at the intersection of state and school. For many people, education is the most valuable benefit the state provides. The government should not give more benefits to religious school students than it gives to students at secular schools. But neither should it give anything less.

> *Equal treatment of everyone, without regard to religion, does not constitute an establishment of religion.*

The First Amendment does not require discrimination against religion; it simply bars laws "respecting an establishment of religion." Equal treatment of everyone, without regard to religion, does not constitute an establishment of religion. That is why the GI Bill, which permitted soldiers to choose either a religious education or a secular one, was perfectly constitutional. It is why the government may give scholarships or student loans to all students, whether they are attending UCLA or Notre Dame.

There is no "mixing of church and state" in any of these examples. The police, the fire department, and the government agencies that provide financial aid for students' educations keep themselves separate from religion. The government treats the religious school exactly as it treats a nonreligious institution. Both separation and equality are thus scrupulously maintained.

Are religious schools helped when the government uses tax dollars to provide remedial education on the schools' premises? Of course they are—just as they are helped when the government clears the snow on the street in front of the schools, or protects them against crime, or collects their trash, or provides disaster relief funds when they are ravaged by floods or tornadoes or other natural disasters.

We accept the fact that religious institutions benefit from government programs because such programs provide important public benefits to everyone, irrespective of religious affiliation or lack thereof. Public spending for school choice should stand on the same footing: So long as the government doesn't specially favor religion, none of us has any constitutional grounds for complaint.

Some choice opponents contend that, in effect, school choice programs are pro-religion because most funds in a school choice program are spent at religious schools. They may as well argue that putting out a fire at a church is pro-religion because the firefighters are helping only the church. If you consider education as a whole, or firefighting as a whole, you will find that the lion's share of the spending goes to non-religious institutions—in education, to government-run schools.

What about the argument that school choice scholarships might, if only indirectly, support the propagation of religious views? That, too, is no argument against school choice. The same thing happens when government employees, welfare recipients, or senior citizens on Social Security tithe at their church or synagogue. It happens when a blind student chooses to use vocational training funds to become a minister—something the Supreme Court unanimously held constitutional in the *Witters* case. So long as the government gives no preference to religion, it does not matter where a paycheck or welfare check or scholarship ends up.

My parents sent me to secular schools. If I have children, I will probably send them to secular schools, too. But I know others may have a different preference. They pay their taxes just as I do. The government should provide services for their children on the same terms as it provides services for mine.

> *That is the true meaning of the Constitution. Equality for all. Special benefits for none. Discrimination against none.*

That is the true meaning of the Constitution, whether we are talking about police services, the fire department, the GI Bill, or elementary schools. Equality for all. Special benefits for none. Discrimination against none.

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School Choice: Answers to the Most Frequently Asked Legal Questions
Two of the nation's leading experts address in plain English the most commonly raised legal questions about school choice. (Institute for Justice, 1994, 9 pp.)

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Reno stands by her president / 3

- **Paula Jones suit gets down to particulars / 4**
- **Vince Foster and the political cost of justice / 32**
- **Noah, call your L.A. office / 37**

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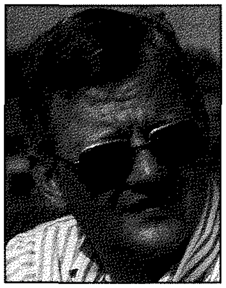

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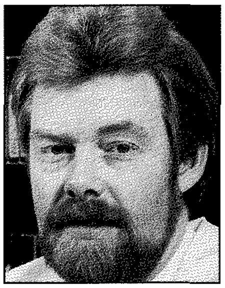

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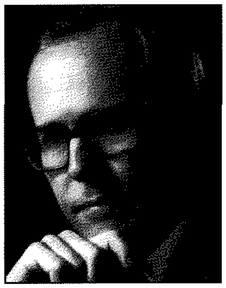

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Privatization

Adrian Moore & Wade Hudson

Adrian Moore directs the Privatization Center, and Wade Hudson is a Policy Analyst at the Reason Foundation.

Outsourcing Administrative Services

Privatizing or outsourcing administrative services is proving to be a sure-fire method for improving service quality and reducing costs. Administrative services that state governments typically outsource include information management, mail room operations, and data processing. (See table.)

According to a study by the Mercer Group, 32 percent of state and local government agencies contract our for data processing services, a 15 percent increase from 1987. Apogee Research revealed an even stronger trend, with a 20 percent increase during the 1989 to 1992 period. The privatization of administrative services has been steadily increasing, due in large part to the need for fiscal restraint and improved service quality.

The benefits that have been derived from the outsourcing of administrative services are found at all levels of government. Most administrative service outsourcing has occurred at the city and county level, but many state governments and federal agencies are beginning to explore similar options.

Australia set the most extensive example. In 1997, the country realized its long-standing goal of eliminating its national Department of Administrative Services by selling its commercial elements, privatization, and outsourcing. Savings are expected to be approximately $960 million annually—just over 18 percent of the country's $5.3 billion annual information technology budget.

Closer to home, the **U.S. House of Representatives** outsourced its troubled mail operations in 1995, realizing significant cost savings and improved service quality.

The state of **Minnesota** offers a prime example of the dramatic improvements that outsourcing can bring. After the state Department of Human Services (DHS) successfully centralized the claims process for food stamp assistance, the federal government ruled that food stamp issuance would also have to be centralized. Faced with the daunting task of creating a centralized printing and mailing system, DHS decided to outsource the entire operation. The outsourcing covered data transfer, laser printing, inserting, sorting, a return mail information tracking system, security measures, and trained staffing.

In 1991, DHS signed a five-year contract with Pitney Bowes to manage the entire food stamp assistance operation. The contract included a provision that, due to the critical nature of the operations, not one day of benefit issuances could be missed during the transition.

Bringing in new equipment and expertise, Pitney Bowes was able to bar-code over 90 percent of the outgoing mail, which alone saved over half a million dollars annually. The new equipment and procedures allowed the company to operate the system more efficiently than before, reducing the time to track and report on returned mail from hours to minutes. The firm also assumed responsibility for inventorying and storing food stamps, a critical security issue.

Don Hockman, Distribution Coordinator for DHS, reported that "the counties are delighted to be out of the food stamp business. Inventorying food stamps was a real headache for them."

The contract has saved DHS millions of dollars annually. More importantly, the agency now has in place a system that is running more effectively and better serving the public. The success has not been lost on other state government agencies; the state Department of Natural Resources recently entered into a similar contract with Pitney Bowes.

> *Outsourcing administrative services is proving to be a sure-fire method for improving service quality and reducing costs.*

State legislators should keep in mind that the key to successful outsourcing of administrative services is a well-written, performance-based contract that specifies the outcomes desired and allows the contractor to apply new technology and management efficiencies to meet the goal.

As a rule, the cost savings achieved by contracting administrative services can be attributed to improved technology provided by contractors, along with staff reductions (although most former staff are hired by the contractor), more extensive training, and significantly less personnel turnover than before outsourcing. Those refinements ensure that outsourcing of administrative services offers state governments the opportunity to deliver better services at a lower cost.

Frequently Outsourced Administrative Services

Data Management	Mail Room Systems and Operations
Data Transfer	Courier Services
Clerical Services	Reprographics
Forms Development and Management	Laser/Standard Printing

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Privatization 97: Public Sector Overview
This chapter of the Reason Foundation's annual privatization report offers a detailed overview of privatization initiatives at the federal, state, and local levels. (Reason Foundation, 1997, 16 pp.)

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Request document #6500409

Medium-Size Businesses Hard Hit by Government Regulation

Murray Weidenbaum

Murray Weidenbaum is chairman of the Center for the Study of American Business.

Regulation is on the rise, and medium-size businesses are caught in the most-heavily-regulated middle. Small companies are often exempt from government regulation, while large companies enjoy economies of scale in complying. But a substantial middle sector of American business is especially hard hit by government actions on regulatory matters.

Let us examine government regulation from the viewpoint of this "overlooked middle" sector.

Much regulatory legislation is written so as to lighten the burden on very small firms. However well motivated, such actions inevitably shift the focus of regulatory enforcement to other companies. That creates *especial difficulty for the medium-size enterprises* that cannot afford to maintain specialized staffs to deal with environmental, safety, workplace, and other complex regulatory requirements.

One modest-size company printing T-shirts bemoans the fact that OSHA levied against it $2,250 in fines for such "serious" violations as using two-pronged plugs rather than three-pronged ones. The owner noted that if he had limited his payroll to ten people—his total labor force came to 14—he *would have been spared the random inspection* aimed at the giants of the printing industry.

> *Congress should adopt less burdensome forms of regulation—and consider the benefits of deregulation—so as to reduce the costs imposed on all companies.*

The T-shirt printer's adverse experience with government regulation is hardly unique. A survey by the accounting firm of Arthur Andersen reported that, by far, the biggest challenge facing mid-sized firms is government regulation. Over half of the companies responding to the Arthur Andersen survey identified regulations as their primary hurdle. By contrast, only 18 percent thought that "turning a profit" was the main problem their business faced.

The presence of economies of scale in complying with government regulation is clear. The *Fortune* 500 fill out pretty much the same forms and are held to the same requirements as smaller firms. The cost of complying with regulation consumes a much higher share of sales for the medium-size company than it does for larger enterprises.

A survey of the cost of complying with OSHA rules for different sizes of manufacturers shows substantial variations. Companies with 2,000 to 5,000 employees reported an average cost of $237 per worker, while companies with 500 to 1,000 employees have to pay almost twice as much—an average compliance cost of $467 per worker.

An earlier study of the legal costs to employers for a National Labor Relations Board election reported that companies with 100 to 149 employees experienced legal costs of $19 per employee, more than *double the amount* ($8) *paid* by companies with 1,000 or more workers.

In a report published by the Center for the Study of American Business, economist Thomas Hopkins estimated the burdens of complying with regulation for different sizes of business. For companies with 20 to 499 employees, the regulatory burden per employee averages $5,298—78 percent higher than for companies with more than 500 employees.

Unfortunately, Congress has responded to the uneven distribution of regulatory burdens in the predictable manner. It has not reduced the burden of regulation by streamlining the process. Rather, it has exempted different sizes of companies, based arbitrarily on the specific regulatory statutes it was writing.

A facility with fewer than ten employees is not required to follow the procedures for Toxic Chemical Release Reporting. A company with a federal contract of $25,000 or less need not comply with the Drug-Free Workplace Act. Companies with 14 or fewer employees are exempt from the Americans with Disabilities Act. Employers with 19 or fewer workers are exempt from the Age Discrimination in Employment Act. Firms with *99 or fewer employees are not covered* by the Worker Adjustment and Retraining Notification Act.

The most satisfying answer to this ridiculously complex situation is *not* to raise the exemption ceiling now contained in many regulatory statutes. Rather, Congress should adopt less burdensome forms of regulation—and consider the benefits of deregulation—so as to reduce the costs imposed on all companies. That would obviate the need for special exemptions for a lucky few.

Very frequently, the public's genuine concern for a cleaner environment or a safer workplace can be met more efficiently by competition in the marketplace than by heavy-handed government intervention.

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Regulation Kills

Regulations directly cost the average family about $7,000 a year. Indirectly, they cost the economy $31.1 billion and lead to 60,200 premature deaths every year. (*Insight*, September 1997, 4 pp.)

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Request document #7212125

Taxes

Stephen Gold

Stephen Gold is associate director and director of communications of the Tax Foundation.

Income Tax Only Part of State Revenue Mix

One aspect of state tax policy the American public often doesn't understand is that, just because a state doesn't have an income tax doesn't mean it doesn't collect tax revenues—and plenty of them, at that.

According to the Tax Foundation's latest state tax collections report, while 32.1 percent of 1996 state tax revenues came from individual income taxes, 33.3 percent were derived from general sales and use taxes, and another 19.6 percent came from corporate income taxes, motor fuels taxes, and licenses.

Of course, every state has its own mix of taxes. Some states rely mostly on income taxes for their revenue, some favor sales taxes, and other states have opted for a balance of these and other taxes.

Three states—Massachusetts, New York, and Oregon—relied on personal income taxes for over half of their tax collections in 1996. On the other side of the spectrum, seven states—Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming—collected no personal income taxes from their residents. (Tennessee and New Hampshire collected individual income taxes only on dividends and interest.)

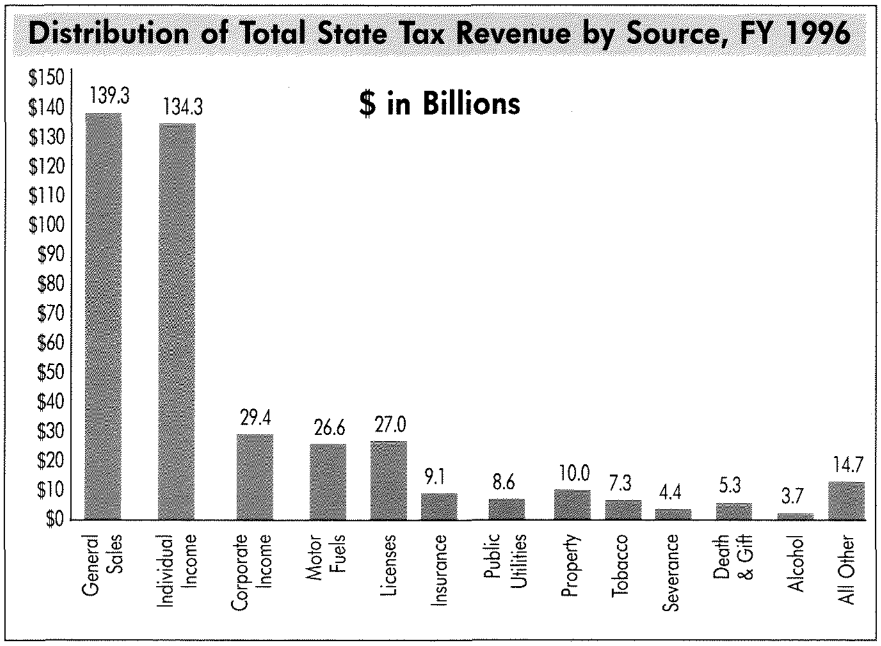
Six states—Florida, Nevada, South Dakota, Tennessee, Texas, and Washington—took a majority of their revenues from general sales and use taxes in 1996. Five states—Alaska, Delaware, Montana, New Hampshire, and Oregon—took in no sales tax collections. Five states relied on corporate income taxes for more than 10 percent of their total revenues in 1996, with Alaska and New Hampshire (21.5 percent each) topping this category. Four states—Nevada, Texas, Washington, and Wyoming—collected no corporate income tax revenue.

Among the state tax anomalies:

- Along with its state corporate income tax collections, Alaska relies on severance taxes from petroleum reserves for 60 percent of its state tax revenue. It has no state income or general sales tax collections.
- Wyoming relies on severance taxes for 35 percent of its state tax revenues.
- Delaware gets about a third of its revenue from state licensing.
- After its business profits tax, New Hampshire's biggest revenue sources are its selective sales taxes, which fall on such services as hotels, restaurants, and nursing homes.
- As a proportion of total state collections, Montana relies more on its motor fuels excises (14 percent of total revenues) than any other state. However, New Hampshire (12.8 percent) and South Dakota (12.3 percent) are close behind.

The Tax Foundation report also notes that state tax collections grew by 4.9 percent between 1995 and 1996, climbing to a total of $419 billion. For the most part, politicians weren't to blame for the growth: Economic expansion in 1996 accounted for most of the growth in state revenue growth.

Nationally, personal income growth outpaced state tax growth by about 1 percent. (That compares with a decade-long trend where state tax growth climbed slightly faster than personal income growth.) The five states with the highest tax growth relative to personal income growth between 1995 and 1996 were Alaska, New Hampshire, Wyoming, North Dakota, and Iowa. The five states that had the highest personal income growth relative to tax growth were Hawaii, Arkansas, Michigan, New Mexico, and California.



Distribution of Total State Tax Revenue by Source, FY 1996

Available on *PolicyFax*

State and Local Taxation and Economic Growth: Lessons for Federal Tax Reform
Executive summary of an extensive study of tax structures and policies in each of the 50 states. (Joint Economic Committee, 1995, 2 pp.)

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Guide to Public Policy

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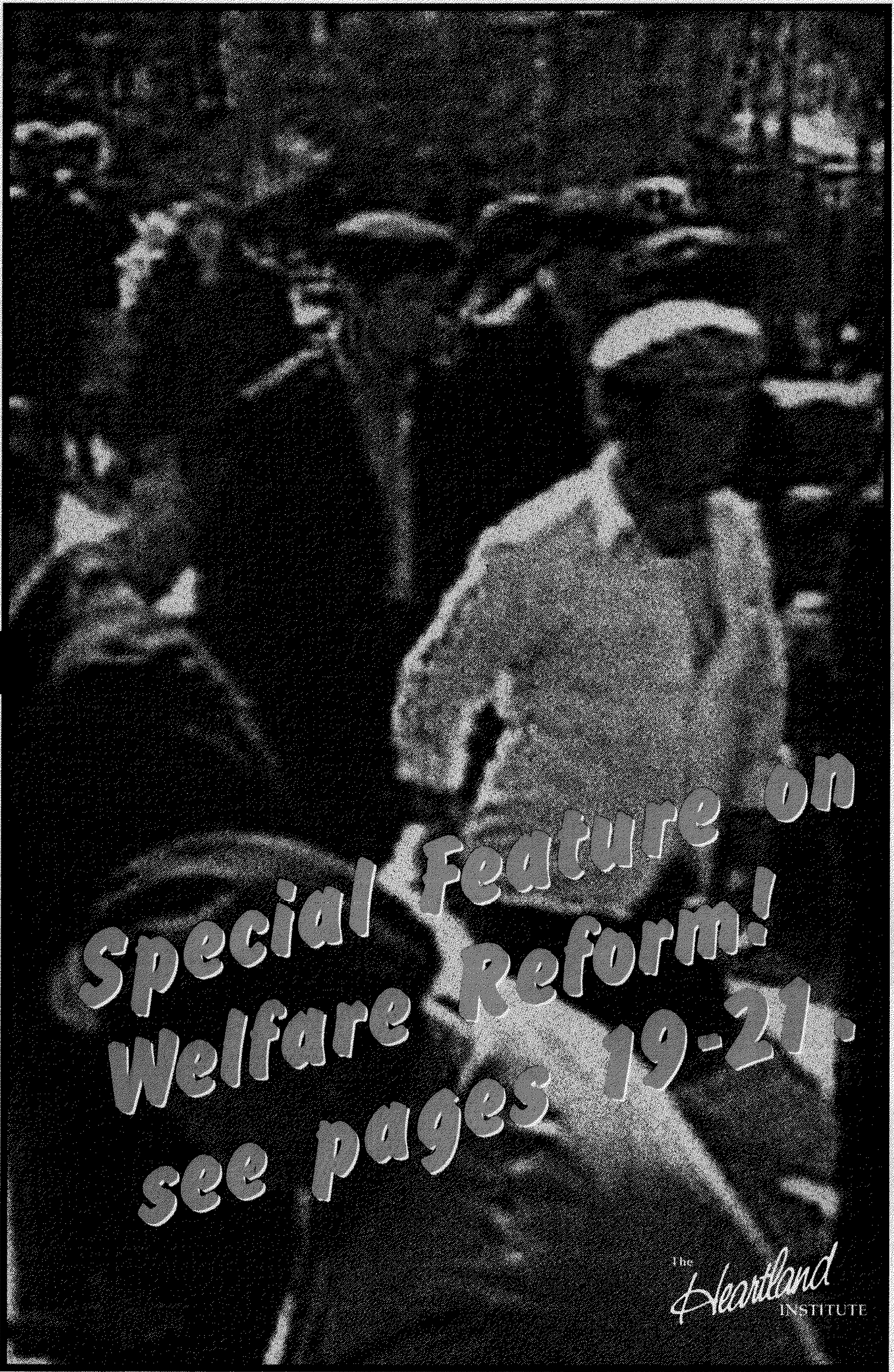
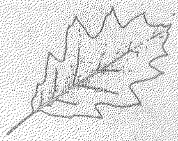
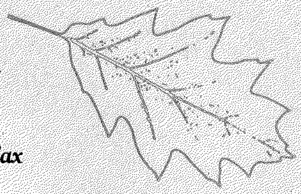


Special Feature on Welfare Reform! see pages 19-21.

The Heartland Institute

TABLE OF CONTENTS





Welcome to *PolicyFax* 3

Using *PolicyFax* 4

Civil Rights 5

Crime 5

Economic Development 6

Education 7

- *Choice* 7
- *Class Size* 8
- *Curriculum* 8

Environment 9

- *Chemicals* 9
- *Global Warming* 9
- *Tobacco* 10

Family/Culture 11

Governing 11

Health Care 12

- *Children's Care* 12
- *Managed Care* 13

Humor 13

Law 14

Philanthropy 14

Politics 15

Privatization 15

Regulation 16

- *Utility Deregulation* 16

Taxes 17

- *Income Tax* 17
- *Social Security* 17
  - *Anti-Privatization* 17
  - *Pro-Privatization* 18

Transportation 18

Welfare 19

- *Welfare Reform* 19
- *Evergreen Freedom Foundation* 20
- *Tax Credits* 21
- *Housing and Homelessness* 21
- *Income and Poverty* 21

Contacts 22

Account Application 24

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by Senator Raymond N. Haynes (California)

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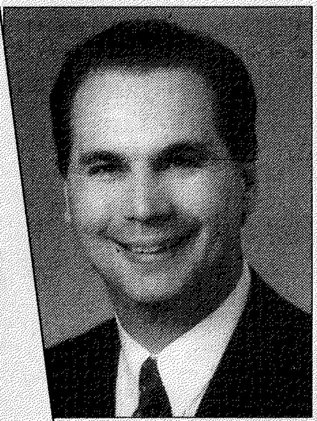

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CIVIL RIGHTS

Affirmative Action Poll Results

Headway magazine reports that members of minority and non-minority groups generally see eye-to-eye on the importance of workplace diversity, but their opinions differ substantially when it comes to preferences to remedy past discrimination.

Headway
February 1998
#1272104 (1 p.)

Racial Preferences are Dead: An *Interview with Ward Connerly*

by Michael W. Lynch

Racial preferences are dead, but what next? According to Ward Connerly, one of the leaders of the successful campaign to pass the California Civil Rights Initiative, Americans must now make a choice between a "race matters" philosophy, and President John F. Kennedy's enunciated philosophy: "Race has no place in American life or law."

Reason, February 1998
Reason Foundation
#1272201 (7 pp.)

Back to Equality

by Ward Connerly

Having seen Jim Crow up close, Connerly hailed the 1964 Civil Rights Act. But since then, institutionalized racial preferences have poisoned our political culture and mocked the principles of the Declaration of Independence.

Imprimis, February 1998
Hillsdale College
#1272103 (4 pp.)

"Conversation on Race" Is Too Broad

by Joseph H. Brown

President Clinton's highly touted "town meeting" in Akron, Ohio was little more than "preaching to the choir." If this country is going to make headway on racial issues, both whites and blacks will need to get past the fear of offending and start dealing with unpleasant realities.

Headway
February 1998
#1272105 (1 p.)

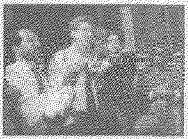
Privacy as Censorship

by Solveig Singleton

Junk mail and junk calls may be annoying, but avoiding them is not a moral imperative. Indeed, prevention of commercial data gathering can be viewed as a breach of First Amendment rights and an impediment to business. The true danger to civil liberty comes not from private databases owned by firms with no coercive powers, but from government databases, whose errors may have far greater implications for the citizen.

Policy Analysis, January 1998
Cato Institute
#1266402 (part 1, 17 pp.)
#1266403 (part 2, 15 pp.)

CRIME

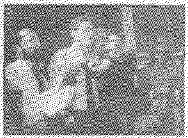


Debate: Should Safer Smoking Kits Be Distributed to Crack Users?

by Arnold S. Trebach and Rachel Ehrenfeld

"It's very hard to rehabilitate a dead addict" says Trebach, an advocate of kit and needle distribution programs. Ehrenfeld responds that, far from reducing harm, "safer drug use" programs spur new waves of addiction.

Symposium, December 1997
Insight
#1392409 (4 pp.)



Debate: Is the Government's War against Marijuana Justified as Public Policy?

by Mark Souder and Lynn Zimmer

While opponents argue that medicinal use of marijuana is not a ballot box issue, three-quarters of adults support decriminalization of marijuana for medical purposes, and half support decriminalization for simple possession.

Symposium, January 1998
Insight
#1392410 (4 pp.)

The Dissent: How the Townsend Report Fails to Address the Roots of Juvenile Crime and What to Do about It

by Robert M. McCarthy J.D.
with David B. Muhlhausen

The Townsend report on juvenile crime in Maryland covered 63 pages with discussions of the impact on crime of such factors as poverty, gun ownership, and unemployment. Unwed pregnancy was allotted precisely five lines. "The topics the task force was too timid to confront . . . are illegitimacy, religion, welfare, and minority involvement in the justice system. In our view, the task force members were aware of the importance of these factors, but considered them too explosive to deal with." McCarthy and Muhlhausen contend that a prerequisite for success in the fight against juvenile crime is basic honesty about its causes.

Calvert Issue Brief, August 1997
Calvert Institute for Policy Research
#4840401 (part 1, 16 pp.)
#4840402 (part 2, 13 pp.)
#4840403 (appendix and notes, 11 pp.)

Crime
continued on page 6

Crime
continued from page 5

Juvenile Justice Reform: HB 3900 and Beyond

by R. David LaCourse Jr.

It's time to refine the 1997 changes to the juvenile justice system before juvenile population increases 20 percent in the next decade. Refinements should include mandatory fingerprinting, heavier sentences for deadly weapons offenses, and no "free pass" for offenders under the age of 13.

Policy Brief, January 1998
Washington Institute Foundation
#4840302 (summary, 2 pp.)
#4840404 (15 pp.)

Crime Control through Private Enterprise

by Bruce L. Benson

Opponents of privatization of the police function contend that it leads to abuses of the constitutional rights of the accused. But, unlike a municipal police department, a private firm can be sued effectively for abrogation of rights. Privatization's opponents also argue that only the rich can benefit from privatization. But those opponents fail to recognize that "the cost of the public-sector criminal justice system is disproportionately born by the poor" according to Benson, who is a professor in the department of economics at Florida State University. He concludes that a criminal justice system with privatized elements aimed at restitution and prevention, rather than retribution and apprehension, can better serve the interests of both rich and poor.

The Independent Review, Winter 1998
Independent Institute
#1365404 (part 1, 16 pp.)
#1365405 (part 2, 15 pp.)

The Comeback of the Cops

by Rob Gurwitt

At an 8:00 a.m. status meeting somewhere in the United States, the week's production failures are reported and accountability is assigned. An automobile manufacturing plant? Maybe your office? In fact, such meetings take place weekly in the New Orleans police department, where they've renewed their focus on crime-fighting.

Governing, January 1998
Congressional Quarterly Inc.
#1360101 (6 pp.)

Arms, Violence, and the State: a Historical Perspective

by Jeremy Black

Since the nineteenth century, governments have reserved for themselves the right to armed authority. Today in countries like Britain—and increasingly in the U.S.—the citizens are completely dependent on the police for their protection. But criminals know the police can't provide effective protection.

Chronicles, January 1998
The Rockford Institute
#1328114 (3 pp.)

Reading the Second Amendment

by Sheldon Richman

Opponents of private firearms ownership do their cause (and their intellectual reputation) no favor when they maintain that the Second Amendment means the near opposite of what it plainly says.

The Freeman, February 1998
Foundation for Economic Education
#1328113 (4 pp.)

ECONOMIC DEVELOPMENT

Put Pro Sports Blackmailers Out of Business

by Grant Gulibon

Taxpayers shouldn't be expected to pay to construct sports stadiums—and they don't have to. Private financing is a better alternative for stadium construction, and the threat of a referendum on the matter will often send sports hucksters running.

The American Enterprise, January/February 1998
American Enterprise Institute
#1976117 (3 pp.)

Subsidies, Professional Sports, and the Squeeze on Indianapolis

by Mark S. Rosentraub

Demographics in the Indianapolis market suggest that professional sports have a very uncertain future there. What could help? Only some revision to the current cartel structure that puts smaller markets at a disadvantage.

In-Roads, Winter 1998
The Sycamore Institute
#1976118 (5 pp.)

Private Stadium Financing Sources: Options for the Pirates and Steelers

by Jake Haulk Ph.D.

Now that voters have trounced proposals for tax-based financing of sports stadiums for the Pittsburgh Pirates and Steelers, it's time to examine private funding techniques. Already in use throughout the country, private financing would allow the teams to raise more than $400 million for new facilities.

Report, January 1998
The Allegheny Institute for Public Policy
#1976440 (part 1, 13 pp.)
#1976441 (part 2, 14 pp.)

Market-Oriented Planning: Principles and Tools

by Samuel Staley and Lynn Scarlett

Land use planning and zoning today are based on the notion that it is possible for planners to control the direction community development takes over a 10- or even 20-year time span. But our economy is becoming more dynamic, and development planning processes must reflect that. "Development approval should be based on a process—a set of clearly defined rules—rather than an end-state vision of what the community should look like 10 or 20 years down the road. This recommendation accepts recent empirical evidence that, in practice, zoning decisions tend to follow market trends rather than vice versa," writes Staley, a veteran of several local planning boards and commissions.

Policy Study, November 1997
Reason Public Policy Institute
#7648301 (summary, 2 pp.)
#7648403 (part 1, 12 pp.)
#7648404 (part 2, 14 pp.)

The Trouble with Zoning

by Alan Ehrenhalt

Zoning laws, whose place in the planning process for municipalities was made permanent in the 1950s, have led to rigid city planning that has caused decay rather than growth in cities. While few are embracing Houston's "no zoning" philosophy, cities nationwide are beginning the laborious task of re-writing these complex and often contradictory laws.

Governing, February 1998
Congressional Quarterly Inc.
#7648101 (5 pp.)

Report Card on American Education 1996

by Lee MacVaugh with Taylor Nguyen & James Ahn

After a thorough review of state-by-state statistics on achievement and resources directed to education, the authors conclude that "there does not appear to be any statistically significant correlation between the success of [the ten most successful] states and such factors as spending, salaries, and staffing. . . . [T]he lack of a correlation suggests that the system itself is not making effective use of the financial and staff resources funneled into it."

Report Card, October 1997
American Legislative Exchange Council
#2105404 (part 1, 15 pp.)
#2105405 (part 2, 15 pp.)

Education and Training for America's Future

by Anthony P. Carnevale

Historically, about 27 percent of growth in worker productivity is linked to education level. In the future, decreased job security will make educational attainment even more important. Carnevale, a vice president at the Educational Testing Service, warns that "evidence is surfacing that skill requirements are outpacing our K-12 schools' ability to keep up." Excellence is not possible without standards, and developing those standards is a role that can usefully be performed by Washington.

The Growth Papers, 1998
Manufacturing Institute
#2292401 (part 1, 12 pp.)
#2292402 (part 2, 10 pp.)

Charter Schools Learn a Few Lessons

by Charles Mahtesian

While some charter schools have failed, closings have been due to financial malfeasance rather than academic incompetence. And the good news is that *when* they fail, charter schools *can* be closed—unlike failing public schools.

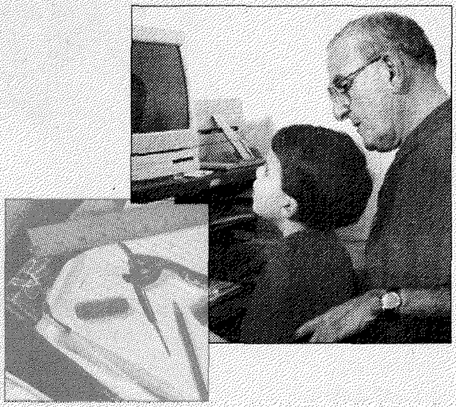
Governing, January 1998
Congressional Quarterly Inc.
#2111112 (4 pp.)

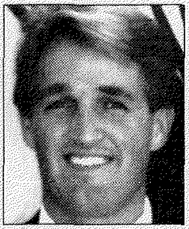
Homeschooling: Back to the Future?

by Isabel Lyman

Homeschooling is already a certifiable success for thousands of parents unsatisfied with the public schools. It could be made an even more attractive option through the use of tax credits and relaxation of compulsory attendance laws.

Policy Analysis, January 1998
Cato Institute
#2165415 (20 pp.)





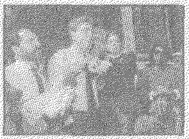
Jeffry Flake

The Name's Bond, General Obligation Bond

by Jeffry Flake and Lewis Solmon

Bond financing of schools is under attack because poor districts have less access to capital. Paradoxically, bond financing gives richer districts *too much* access to capital, leading to inefficiencies.

Perspective, January 1998
Goldwater Institute
#2124108 (2 pp.)



Pete Wilson

Debate: Is California's Initiative to Restrict the Use of Union Dues a Good Idea?

by Pete Wilson and Art Pulaski

Union leader Pulaski contends that proposals to require that unions seek member approval before using dues for political purposes are really aimed at silencing the working man. Supporters of the proposal, like California Governor Wilson, respond that they simply want to allow the working man to make his own political and public policy choices.

Symposium, February 1998
Insight
#2290103 (4 pp.)

Choice

The *Real* Evidence: An Honest Research Update on School Choice Experiments

by Howard L. Fuller

As the research literature confirming the success of school choice experiments grows, choice opponents—the NEA and Education Secretary Richard Riley among them—are taking a new tack: trying to discredit the research.

Wisconsin Interest, Fall/Winter 1997
Wisconsin Policy Research Institute
#2184437 (16 pp.)

School Choice: The Last Civil Rights Battle

by Sol Stern

Fourteen of thirty-two New York school districts are academic "dead zones" where almost every school is failing. Mayor Rudolph Giuliani has two very different routes available to address the failure: he can support decentralization and choice, or he can back another round of "top down" reforms proposed by chancellor Rudy Crew.

City Journal, Winter 1998
Manhattan Institute
#2184438 (8 pp.)

Free to Choose: A Legislative Briefing on Education Reform and School Choice

by Gaylord Swim, David Salisbury, et al.

Public schools resemble the command-and-control model of socialism more than they resemble the free market. Introducing competition into public education would not only build the private school infrastructure, but would have a salutary effect on the public schools themselves.

Sutherland Speeches, November 1997
The Sutherland Institute
#2184205 (17 pp.)

Class Size

Class Size and Public Policy: Politics and Panacea

by Tommy M. Tomlinson

Ten years ago, in the wake of the 1983 *A Nation at Risk* report, Tomlinson concluded in an exhaustive study that "reducing class size . . . is unlikely to have tangible benefits for student achievement." Despite that strong empirical evidence, calls for smaller classes remain the centerpiece of public school "reform" proposals.

Office of Educational Research and Improvement
U.S. Department of Education
March 1988
#2110401 (part 1, 16 pp.)
#2110402 (part 2, 19 pp.)
#2110403 (part 3, 10 pp.)

Using Class Size to Reduce the Equity Gap

by Charles M. Achilles,
Jeremy D. Finn, and Helen P. Bain

Reducing class sizes benefits all students, and is especially advantageous for minority and disadvantaged children. Thus, smaller classes promote quality in education, and at the same time address the socioeconomic gap in student achievement.

Educational Leadership,
December 1997/January 1998
Association for Supervision
and Curriculum Development
#2110103 (4 pp.)

Does Class Size Matter?

by Thomas Toch and Betsy Streisand

California is pursuing the latest panacea for public education small class sizes. Expensive but politically popular, the actual benefits of the initiative, except in special cases, may be scant.

U.S. News & World Report
October 1997
#2110102 (6 pp.)

Curriculum

Michael Sanera

Teaching Environmental Education to Wisconsin Teachers

by Michael Sanera Ph.D.

"Political advocacy for particular environmental policy outcomes, without alternative perspectives, should not be part of responsible teacher training in environmental education," writes Sanera, one of the country's leading experts on the evaluation of environmental curricula materials. Yet only two of twelve college-level courses for future teachers in Wisconsin met national guidelines covering accurate and balanced content.

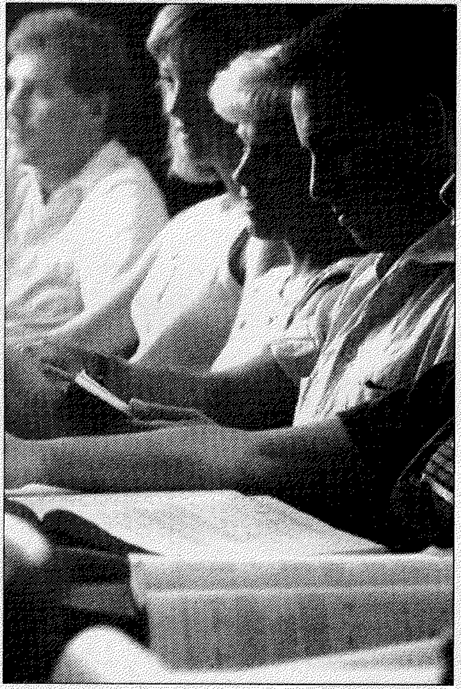
Report, November 1997
Wisconsin Policy
Research Institute
#2331102
(news release, 5 pp.)
#2331406
(part 1, 16 pp.)
#2331407
(part 2, 15 pp.)

Seeking More Balanced and Scientifically Based Environmental Education in the Classroom

interview with
Michael Sanera

Much of what passes for environmental education today consists of leading students to pre-determined conclusions so they engage in political activity favoring a given policy. Arizona is bucking this trend by requiring differing points of view to be presented to students.

Points West Chronicle, Autumn 1997
Center for the New West
#2331103 (2 pp.)



Some Concerns Related to Water Education in the State of Utah

by Donald R. Daugs & C. Earl Israelsen

"Science" education curricula like the "Project Wet" materials recently introduced to Utah schools actually instill *anti*-science attitudes in students. The older Comprehensive Water education textbook represents a more scientifically sound approach.

White Paper, no date
Utah State University
#2331104 (7 pp.)

No Excuses

by Tyce Palmaffy

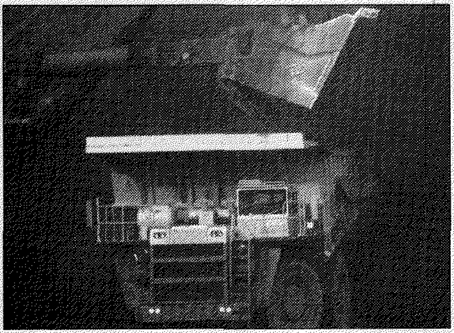
Thaddeus Lott's success as a teacher since 1975 has made him the chief of four schools in Houston's tough minority neighborhoods. But he is no mythical superman teacher: just a man determined to teach children, with the common sense to eschew fads like "whole language" reading instruction in favor of a curriculum well-supported by the research literature.

Policy Review
January/February 1998
The Heritage Foundation
#2165414 (6 pp.)

Cougars in the Cul-de-sac

by Alex Daniels

The resurgence of wildlife continues, with bears and mountain lions re-appearing in settled suburban areas like North New Jersey. In New York and Pennsylvania, bear hunting seasons are back.
Governing, January 1998
Congressional Quarterly Inc.
#2323143 (1 p.)



Government Versus the Environment

by Russell Madden

Subsidized coastal development, subsidized rangeland, subsidized irrigation, subsidized wetland drainage, subsidized logging . . . all too often government activity damages rather than protects the environment.
The Freeman, February 1998
Foundation for Economic Education
#2393127 (3 pp.)

Time for the Federal Environmental Aristocracy to Give Up Power

by David Schoenbrod

Schoenbrod, former lead attorney for the National Resources Defense Council, finds that history undermines the rationale for federal environmental regulation: the feds have done little to control interstate pollution. Indeed, the states have a vested interest in environmental quality, and were achieving solid environmental improvements *before* the feds started claiming the credit. Like welfare, environmental policy is ripe for devolution.
Policy Study, February 1998
Center for the Study of American Business
#2393410 (15 pp.)

Survival Lessons for the Mining Industry

by Fred L. Smith Jr.

Businessmen view issues in a rationalist manner ill-suited to the political arena. To succeed in political struggles, it is necessary to engage the cherished *values* of the electorate, not just their economic interest.
Fraser Forum, January 1998
The Fraser Institute
#2354105 (6 pp.)

Global Warming

Consensus? What Consensus?

Increasing sophistication in climate modeling is leading to wider variations in the model results and less confidence in their predictions. The smart money still says that CO_2 increases are a blessing, not a curse.
World Climate Report, February 1998
New Hope Environmental Services Inc.
#2329805 (8 pp.)

All Climate Disasters Point to Kyoto

Prior to the December 1997 Kyoto conference, governments and the mass media tried to "warm up the crowd" with scare stories of global warming. But satellite data gathered since 1979 show that 1997 was the sixth *coldest* year observed.
World Climate Report, December 1997
New Hope Environmental Services Inc.
#2329806 (8 pp.)

Kyoto: Damn the Economy! Full Speed Ahead!

The last-minute deal insisted on by Vice President Al Gore at Kyoto will reduce U.S. economic growth by 1.3 percent per year more than predicted by the administration's earlier estimates. Our economic suffering, in return, is expected to pro-

Global Warming
continued on page 10

Chemicals

Love Canal: How Lost Information Can Lead to Environmental Tragedy

by Angela Ives

Hooker Chemical emitted waste from its manufacturing processes into Love Canal, and it is widely perceived as the source of that environmental tragedy. Ironically, because subsequent owners of the land destroyed information about its previous use, Hooker was the only party really *innocent* of the disaster that befell families in the area.
Belton Industries Student Research Project, May 1997
Center for Policy and Legal Studies
#2394414 (part 1, 12 pp.)
#2394415 (part 2, 13 pp.)
#2394416 (part 3, 16 pp.)

New Jersey and Massachusetts: Toxic Use Reduction Successes? Models for National Programs?

Frequently touted as the wave of the future in environmental policy, toxic use reduction (TUR) programs in Massachusetts and New Jersey have received high praise from EPA officials, environmental groups, and even some members of Congress. But this study from the Chemical Manufacturers Association finds that neither state's TUR program has had significant, measurable effects on chemical use or toxic waste generation. In both states, the CMA study finds that reported chemical use reductions were related to economic factors—such as plant closures and changes in the product mix—not TUR programs.
Study, January 1998
Chemical Manufacturers Association
#2394414 (part 1, 12 pp.)
#2394415 (part 2, 13 pp.)
#2394416 (part 3, 16 pp.)

Global Warming
continued from page 9

duce a global temperature reduction of 0.05°C.
World Climate Report, January 1998
New Hope Environmental Services Inc.
#2329807 (8 pp.)

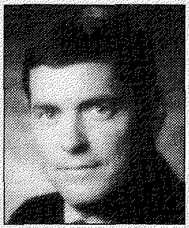
Pumped-up Pines, Oversized Oaks

by Craig Idso

Wonder about the effect of increased CO_2 on the biosphere? Even after 30 years, trees growing in a heavily enriched CO_2 environment show trunk volume that is 33 percent higher than trees at control sites with normal CO_2 levels.
World Climate Report, December 1997
New Hope Environmental Services Inc.
#2329802 (1 p.)

Greening Up: High-Performance Pastures?

Most CO_2 enrichment studies in the past have explored the effects of enhanced CO_2 on individual plants. But a recent experiment in New Zealand concludes that agriculture in general will thrive under increasing levels of CO_2 in the next century.
World Climate Report, February 1998
New Hope Environmental Services Inc.
#2329804 (1 p.)


Robert C. Balling Jr.

Greening Up: Eco-Miracle in East Africa?

by Robert C. Balling Jr.

Since the last glacial period, parts of east Africa have changed from arid grasslands to verdant forests as increased CO_2 fostered improved water use by plants—good news for those concerned about de-forestation.
World Climate Report, January 1998
New Hope Environmental Services Inc.
#2329801 (1 p.)

Greener Planet Blazes to Record Crop Yields in 1997

Basing its claims on ocean measurements to take into account the effects of El Niño, the federal government announced that 1997 was the warmest year ever—a claim belied by satellite temperature measurements. But, 1997 *was* a record year for crop yields.
World Climate Report, January 1998
New Hope Environmental Services Inc.
#2329803 (8 pp.)

H. Sterling Burnett

Merrill Matthews Jr.

Who's Afraid of CO_2?

by H. Sterling Burnett and Merrill Matthews Jr.

"Pop" ecology experts like Vice President Al Gore are wrong to call CO_2 a pollutant. CO_2 is a natural element vital to plant life, and evidence indicates that increases in CO_2 levels would lead to a second "green" revolution of enhanced plant growth.
Brief Analysis, January 1998
National Center for Policy Analysis
#2329502 (2 pp.)

Designing Global Climate Policy: Efficient Markets versus Political Markets

by Jonathan Baert Wiener

Leaving aside the question of whether man is actually causing global warming, control of greenhouse gas emissions can be achieved only through a treaty that obtains near universal voluntary assent of the signatory nations. Wiener, a professor at Duke University and former staff economist for the Council of Economic Advisors, contends that "integrating global environmental protection with world markets, if it can surmount the political obstacles to efficient policy design, promises dramatic environmental and economic rewards."
Policy Study, December 1997
Center for the Study of American Business
#2329505 (part 1, 15 pp.)
#2329506 (part 2, 14 pp.)

A Plain English Guide to the Science of Climate Change

by Kenneth Green D. Env.

Some 2,500 scientists allegedly support urgent action on greenhouse gases, and 4,000 oppose it. The politics of global warming may be a numbers game . . . but science isn't, and even experts are often proven wrong. Because of limited data, uncertainties in the global warming debate will likely continue for the next ten years.
Policy Study, December 1997
Reason Public Policy Institute
#2329503 (part 1, 11 pp.)
#2329504 (part 2, 12 pp.)

Tobacco

The Tobacco Deal: Myths and Misconceptions

by Robert A. Levy

Is there any right safeguarded by the Constitution that is not violated by the proposed tobacco pact? If states want to recover their Medicaid costs attributable to smoking, they should pursue their remedies in the courts using rules of evidence that apply to any other suit.
The Freeman, January 1998
Foundation for Economic Education
#2880133 (3 pp.)

Global Tobacco Settlement

by Robert A. Levy

Against big tobacco, the states have stood as both plaintiff and judge. Congress should not sanction the settlement thus extorted. Moreover, the federal courts must not allow the state attorneys general to go forward with their unconscionable and unconstitutional assault on an unpopular defendant.
Statement before the Committee on the Judiciary
United States Senate, July 1997
#2380201 (statement, 14 pp.)
#2380202 (response of Levy to supplementary questions, 9 pp.)

A Sweet Deal for Big Tobacco

by Larry C. White

When tobacco maker Liggett turned states' evidence and was promised settlement terms "which would not be offered to other defendants," could they have imagined that this meant *worse* terms than the Big 5 tobacco companies would be offered?
Priorities, Vol. 9 No. 3 1997
American Council for Science and Health
#2380132 (8 pp.)

FAMILY & CULTURE

Clinton's Child Care Proposals: The Mediocre, the Bad, and the Ugly

by David R. Henderson

Though 96 percent of all parents report that they are satisfied with their current child care arrangements, the President wants a $500 million federal subsidy for state government regulation of the child care industry. Though there doesn't appear to be a child care crisis now, public policies such as that could *create* one.

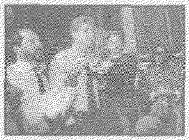
Brief Analysis, January 1998
National Center for Policy Analysis
#2413301 (2 pp.)

25 Years after *Roe*: Sliding Into Infanticide

by Rick Hinshaw

Abortion foes warned that *Roe v. Wade* would lead to a denigration of the value of human life. A recent article in *The New York Times*, which suggested that murder of newborns is morally acceptable, confirms those fears.

Catalyst, January/February 1998
Catholic League for Religious and Civil Rights
#2404115 (2 pp.)



Debate: Is the Supreme Court Trampling on the Religious Freedom of the States?

by Fob James Jr. and Pamela L. Sumners

The prohibition against voluntary prayer in Alabama schools amounts to a repudiation of 180 years of the country's history, says Alabama Governor James. Sumners maintains that James and his allies would establish a fascist theocracy were prayer returned to the schools.

Symposium, January 1998
Insight
#2472101 (4 pp.)

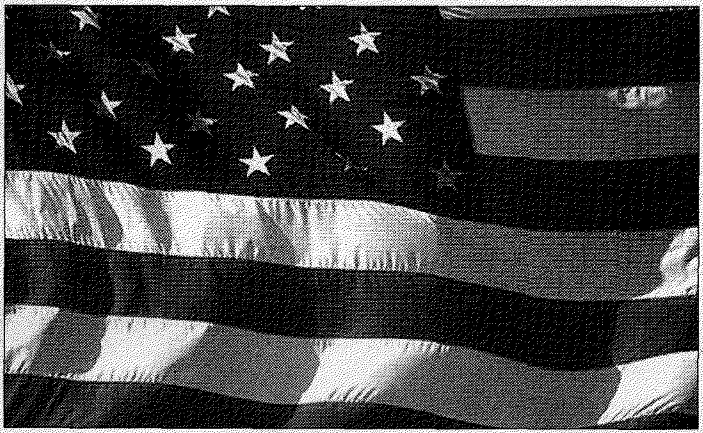
The Game of Mystery Bucks

by Ellen Perlman

Though most state lotteries claim that the funds they raise go straight to education, that's not exactly true. In most states, lottery monies merely replace appropriations that would have been made anyway from the general revenue fund. Georgia is an exception: its lottery funds *new* education spending initiatives.

Governing, January 1998
Congressional Quarterly Inc.
#0828108 (2 pp.)

GOVERNING



Representative Grendell Presents Sponsor Testimony on Her Constituent Equity Bill

James Madison argued in *Federalist No. 57* that legislators should never exempt themselves from laws that were binding on their citizens. More often than once in the country's history, however, Madison's advice has been ignored. Ohio State Representative Diane Grendell seeks to codify Madison's principle for the members of the Ohio Legislature.

Press Release, January 1998
Office of State Representative Diane Grendell
#2800605 (6 pp.)

Government and the Web Frontier

by Marilyn J. Cohodas

Across the country, government web pages are being transformed: no longer the old lists of phone numbers and press releases, they're becoming true interactive applications that allow citizens to apply for permits, seek jobs, or get copies of legal documents.

Governing, January 1998
Congressional Quarterly Inc.
#7213102 (4 pp.)

Did Somebody Say Downsizing?

by Jonathan Walters

Despite conservative rhetoric to the contrary, employment at the state and local government levels is booming. Growing populations create demand for more schools, and "get tough" law enforcement drives corrections hiring. Even effective welfare reform requires more staff.

Governing, February 1998
Congressional Quarterly Inc.
#2800128 (4 pp.)

Restoring Health Freedom: The Case for a Universal Tax Credit for Health Insurance

by Sue A. Blevins

Over the past several decades, Americans have been losing their freedom to choose their own health care. The driving force has been the preferential tax treatment given employer-funded group health insurance. "The universal tax credit policy would give Americans the freedom to choose their own health insurance. . . . No existing health reform proposal or government mandate comes close to restoring that amount of freedom to health care," according to Blevins, who is president of the Institute of Health Freedom.

Policy Analysis, December 1997
Cato Institute
#3280403 (part 1, 14 pp.)
#3280404 (part 2, 14 pp.)

Wrong Medicine at the Wrong Time

by John C. Goodman and Dorman E. Cordell

The President's proposed expansion of Medicare is a back-door attempt to implement one of the most onerous aspects of the Clintoncare program voters rejected: federal takeover of health insurance coverage for those near retirement.

Brief Analysis, January 1998
National Center for Policy Analysis
#3254305 (2 pp.)

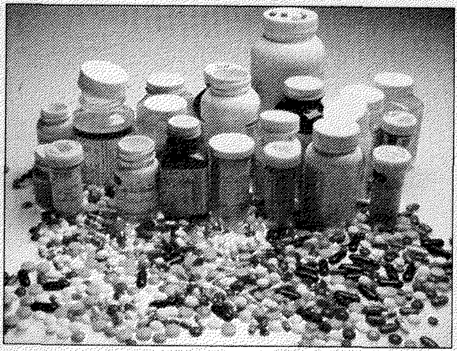
Merrill Matthews Jr.

Explaining the Growing Number of Uninsureds

by Merrill Matthews Jr.

Why does the number of uninsured keep rising? Because every attempt by Congress and the states to make health care more accessible has instead raised costs and driven people out of the system.

Brief Analysis, January 1998
National Center for Policy Analysis
#3236313 (2 pp.)



A Poison Pill

As the Kyl-Archer bill protecting the elderly's right to seek private medical care picks up steam, opponents want to require "dummy claims" to be filed with the government for all private transactions—a suggestion that has the potential to extend government's reach well beyond Medicare and into all manner of private, voluntary relationships.

AAPS News, December 1997
Association of American Physicians and Surgeons
#3266102 (9 pp.)

Children's Care

10 Guidelines for Insuring Children

by Merrill Matthews Jr. and Kristin A. Becker

Congress appropriated $24 billion for health insurance coverage of uninsured children. Rather than using this money to expand the failing Medicaid system, the states should launch private insurance initiatives.

Brief Analysis, January 1998
National Center for Policy Analysis
#3236314 (2 pp.)

Policy Advisory on Children's Health Insurance Programs

by the ALEC Health and Human Services Task Force

Outlines for state legislators the options they have under the federal government's recently passed program for funding health care for low-income uninsured children. ALEC recommends that states reject expanding Medicaid to provide children's coverage. The better option is to design state programs using private insurance providers. This Policy Advisory includes the text of ALEC's model State Children's Health Insurance Program Act.

Policy Advisory, January 1998
American Legislative Exchange Council
#3213104 (5 pp.)

What HCFA Won't Tell You About Kidcare: Dangers and Opportunities for States

It is no surprise that the Health Care Financing Administration (HCFA) and its allied interest groups (like the Children's Defense Fund) want "kidcare" proposals to focus on expanding Medicaid. States can avoid that incremental socialization of medicine by opting for market-oriented consumer choice alternatives. This nuts and bolts conference, aimed directly at state legislators and the state legislative process, shows what can be done. Its principal recommendation: "Focus on covering the maximum number of uninsured low-income children, not employing the maximum number of federal bureaucrats."

Proceedings, November 1997
The Heritage Foundation
#3213201 (part 1, 15 pp.)
#3213202 (part 2, 16 pp.)
#3213203 (part 3, 16 pp.)
#3213204 (part 4, 14 pp.)
#3213205 (part 5, 12 pp.)
#3213206 (part 6, 12 pp.)

State Children's Health Insurance Program: Opportunity for the States

Twenty-four billion dollars in State Children's Health Insurance Program funds from the '97 budget deal will allow states to expand Medicaid coverage, or establish separate private coverage. Using the funds for private coverage will allow *three times* as many children to be covered.

CAHI Policy Brief, December 1997
Council for Affordable Health Insurance
#3213401 (12 pp.)

Managed Care

Solving the Problems of Managed Care

by John C. Goodman

The problems that plague health care delivery in the U.S. are traceable to the fact that employers finance most health insurance policies. Favorable tax treatment of employer-provided insurance has caused this system of finance to develop. Reform would be most effectively achieved by granting individually owned insurance policies the same preferential tax treatment, and by expanding the medical savings account program.

Brief Analysis, January 1998
National Center for Policy Analysis
#3252303 (2 pp.)

Clinton's Health Care "Bill of Rights": You Have the Right to Do as You're Told—and Like It

by Michael F. Cannon

This bill of rights will require you to buy over a dozen government-mandated benefits, making coverage unaffordable for 600,000 Americans.

Issue Analysis, January 1998
Citizens for a Sound Economy
#3266103 (4 pp.)

"Gag Clauses" in Managed Care Contracts: If It's Already Fixed, Don't Fix It

by Michael F. Cannon

Outlaw "gag clauses" in managed care contracts? The proposal makes for a good sound bite—but it addresses a false issue. After reviewing more than 1,200 managed care contracts from around the country, the General Accounting Office was unable to find a single contract that actually had one.

Capitol Comment, January 1998
Citizens for a Sound Economy
#3252106 (2 pp.)

HUMOR

Off the Record

"We do dumb things from time to time, but we are not certifiably crazy," says Clinton spokesperson Mike McCurry, denying that the White House had anything to do with Paula Jones' IRS audit. One of seventeen pearls cast before political professionals.

Campaigns & Elections
December 1997/January 1998
#3300101 (1 p.)

Inside Politics

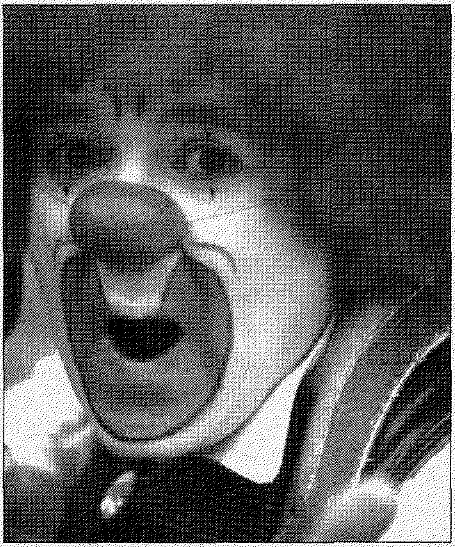
You know you've been in politics too long if your idea of a really great meal is *hot* pizza. This must-have document offers 36 other quick one-liners contributed to *Campaigns & Elections* magazine by readers who are in the know.

Campaigns & Elections
December 1997/January 1998
#3300102 (1 p.)

Five Years of "Potshots"

The "Potshots" humor column consistently ranks as the most popular feature in The Heartland Institute's bimonthly public policy magazine, *Intellectual Ammunition*. We've collected five years' worth—over 100 one-liners, thought-provoking quotations, and daffy definitions. They're perfect for speeches and constituent newsletters!

Humor, 1998
The Heartland Institute
#3300406 (8 pp.)



Computers

Seems we can't live without them . . . but ever have one of those days when you'd like to? Rather than pitch the PC out the window, just laugh at it! Call *PolicyFax* (you don't need a computer to use it, remember?) for nearly two dozen reasons to smile.

Humor, 1998
The Heartland Institute
#3300407 (2 pp.)

Notable Quotables

The Media Research Center publishes a biweekly compilation of the latest outrageous, sometimes humorous quotes in the liberal media. The most recent biweekly issue, plus "best of" collections from 1996 and 1997, are available through *PolicyFax*.

Humor
Media Research Center
#9999501 (biweekly, 2 pp.)
#9999502 (best of 1996, 8 pp.)
#9999503 (best of 1997, 8 pp.)

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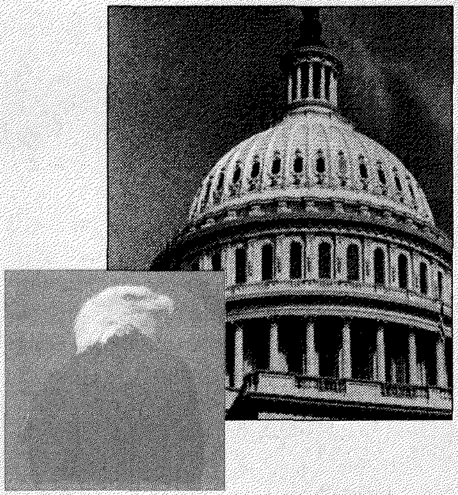
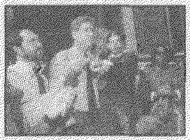


Illinois Supreme Court Finds Tort Reform Act of 1995 Unconstitutional

by Brian D. Schwartz

Though Illinois' landmark tort reform legislation was struck down by the state supreme court, the nature of the court's opinion is such that future reform efforts affecting joint and several liability could pass muster if properly written.

Illinois Municipal Review, January 1998
Illinois Municipal League
#4812102 (2 pp.)



Debate: Should the Government Restrict Advertising of Alcoholic Beverages?

by Laurie Leiber and Morris E. Chafetz

Ban advocate Leiber claims that 3,000 deaths could be avoided every year if Congress banned broadcast advertising of alcohol. Chafetz calls her figures "junk science" and contends that responsible drinking is a more desirable goal than abstinence anyway.

Priorities, Vol. 9 No. 3 1997
American Council on Science and Health
#4835401 (6 pp.)

PHILANTHROPY

The Tides Foundation and Center: Unusual Philanthropies Funnel Money to Activist Groups

by Patrick Reilly

What does a charitable foundation do when its administrators really want to fund a project that doesn't mesh with its giving guidelines? Turn to the Tides: a foundation that serves as a middleman for up-and-coming liberal activist groups.

Foundation Watch, January 1998
Capital Research Center
#6413403 (8 pp.)

National Council of Senior Citizens

by James L. Martin and Donald J. Senese

Caught up in Teamster money-laundering schemes, and with 96 percent of its budget coming from government agencies, the National Council of Senior Citizens is a tireless crusader for such "senior citizen" issues as federal funding of abortions and opposition to striker replacement.

Organization Trends, January 1998
Capital Research Center
#6413404 (8 pp.)

Catholic Charities—Mired in the Great Society?

by Daniel T. Oliver and Vernon L. Kirby

In 1996, Catholic Charities served 12.8 million people. A success story for private charity? Perhaps not, considering that 64 percent of its $2.1 billion budget comes directly from the government.

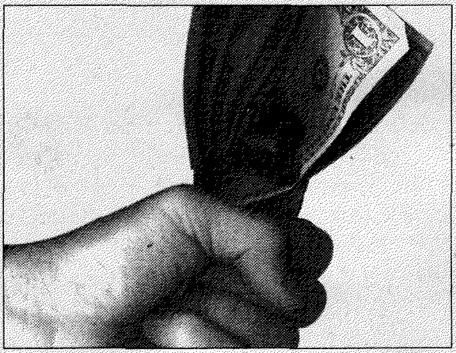
Alternatives in Philanthropy, February 1998
Capital Research Center
#6472101 (10 pp.)

Corporate Money Sustains Fight for Race, Sex Preferences

by John J. Miller

Why did the Houston anti-quota initiative go down to defeat? Largely because of business-financed opposition. Why would a business support quotas? Paternalism, cynicism, and fear.

Foundation Watch, February 1998
Capital Research Center
#6413101 (7 pp.)



"Big Seven" Fuel Big Government

by Sarah Foster

For sixty years, government-sponsored non-profit organizations, from the National Governors Association to the U.S. Conference of Mayors, have lobbied *not* to restrain the federal government's authority over the states, but instead to augment state power over ordinary citizens.

Organization Trends, February 1998
Capital Research Center
#6413102 (7 pp.)

GOP Congress Spends Just Like Dems

by Deroy Murdock

Instead of allowing itself to be compromised into piecemeal socialism, the GOP Congress needs to engage in a few hard ideological battles over national priorities. They might not win all their fights, but they have no excuse for not trying.

Headway
February 1998
#6312102 (1 p.)

Profile: Paul Harris—Virginia House of Delegates

by Robert Stanton

Harris is the first black Republican to serve in the Virginia House of Delegates since 1891. His presence has disturbed the black liberal leadership, which feels threatened by the rise of conservatives who lack a "victim" mentality.

Headway
February 1998
#6365101 (2 pp.)

Strategies that Win!

by Ron Faucheux

Military analogies come easily to politics. Faucheux, who is publisher of *Campaigns & Elections*, provides real-world examples of such political warfare strategies as machine gun attacks, pincer movements, and Pearl Harbor maneuvers.

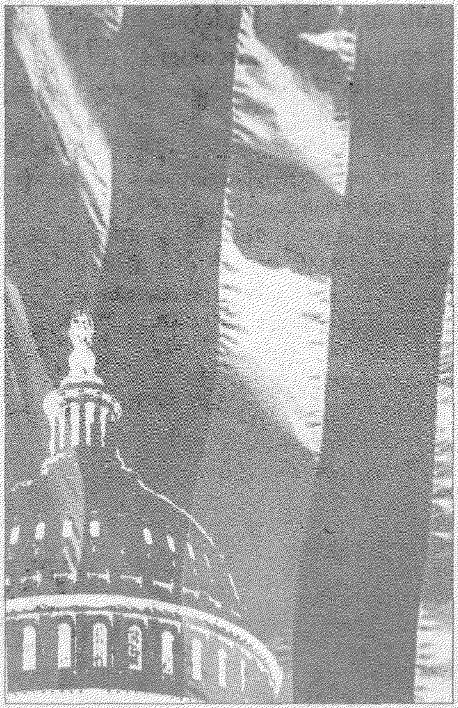
Campaigns & Elections
December 1997/January 1998
#6335403 (5 pp.)

A Case of Censorship

by Charles J. Sykes

Wonder what the proposed McCain-Feingold campaign finance "reform" would look like in practice? In 1996, Wisconsin courts, in a blatant and lawless fashion, gagged political ads being run by both the Sierra Club and a Wisconsin Manufacturers and Commerce affiliate.

Wisconsin Interest, Fall/Winter 1997
Wisconsin Policy Research Institute
#1225401 (10 pp.)



PRIVATIZATION

Public Profits from Private Contracts: A Case Study in Human Services

Private contractors are able to save money vis-a-vis their public agency counterparts through technology, incentives, and reduced overhead. However, Massachusetts law has prevented effective privatization of services by restraining what the private sector can do to maintain its efficiency.

Dialogue, January 1998
Pioneer Institute for Public Policy Research
#6152203 (6 pp.)

Garbage In, Garbage Out: An Examination of Private/Public Competition by the City of Phoenix

by Robert Franciosi

Once a pioneer in private contracting of waste disposal services, Phoenix has fallen behind: too much caution, and too much politics. Aggressive use of competitive bidding, smaller collection districts, and elimination of gold-plated service would improve things for Phoenix taxpayers.

Arizona Issue Analysis, January 1998
Goldwater Institute
#6528401 (19 pp.)

The Global Privatization Revolution

by Robert W. Poole Jr.

Privatization is sweeping the world. Although the United States is making some progress, it still could learn from the examples set by Britain, Mexico, Spain, Sweden, Argentina, and many other countries.

Analysis, 1995
Yankee Institute
#6504401 (10 pp.)

The Nuts and Bolts: Overcoming the Obstacles to Privatization

by Bill Eggers

Much has been written of the theoretical benefits of privatization, but before those benefits can be realized potential opposition must be overcome. Here is a practical ten-point program for neutralizing the opposition.

Commonwealth Conversations, April 1997
The Commonwealth Foundation for Public Policy Alternatives
#6504201 (8 pp.)

Alliance USA Endorses Regulatory Improvement Act

The Alliance for Understandable, Sensible, and Accountable Government Rules (Alliance USA) has endorsed the Levin-Thompson-sponsored Regulatory Improvement Act. The Act will require that economic analysis and risk assessment inform—though not necessarily dictate—the development of all new regulations. Notes the Alliance, "a more open process that requires the use of scientific data, cost-benefit analysis, peer review, and an explanation of how and why regulatory decisions are reached is bound to result in smarter, more effective, and cost-efficient regulations." Alliance USA is a coalition representing nearly 900 small and large businesses, trade associations, and agriculture groups.

Press Package, February 1998
Alliance USA
#2313501 (news release, 16 pp.)
#2313502 (news clips, 9 pp.)

Ten Thousand Commandments

by Clyde Wayne Crews Jr.

The *Federal Register* bulges with regulations new and old. The growing regulatory burden amounts to off-budget government spending that costs the typical family 19 percent of its after-tax income. More rigorous disclosure of the expected costs and alleged benefits of new regulations, in the form of a "regulatory report card," would be valuable. But far more important, writes Crews, is "making Congress directly accountable for every dollar of costs agencies impose on the public by requiring it to vote its approval of agencies' final rules—[which] would mark the ultimate achievement in ensuring accountable regulation."

Report, 1998
Competitive Enterprise Institute
#7200304 (summary, 2 pp.)
#7200417 (part 1, 16 pp.)
#7200418 (part 2, 17 pp.)
#7200420 (part 3, 13 pp.)

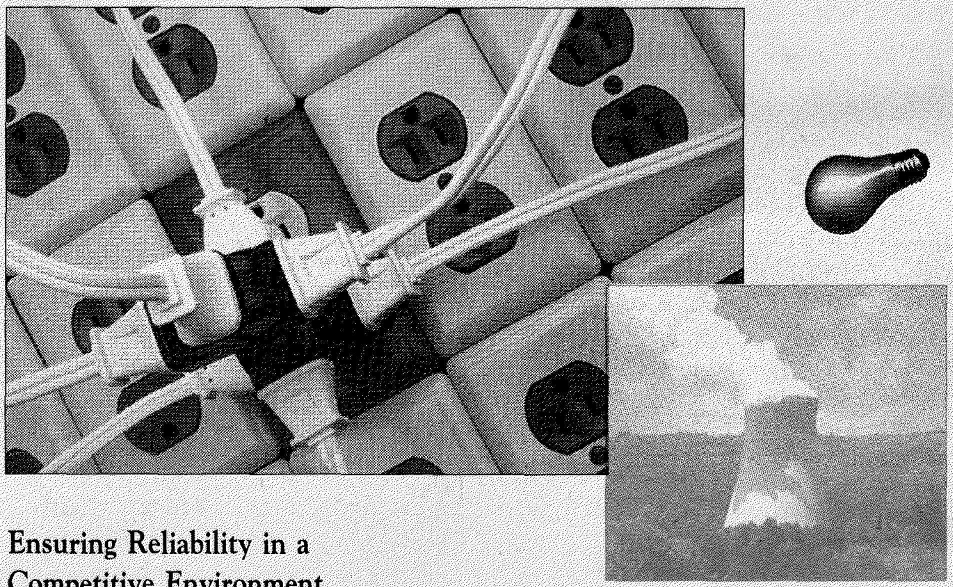
Utility Deregulation

Paying for Power: Taxpayer-Subsidized Electricity in Washington State

by Elaine R. Davis

Sixty-nine percent of Washington state's power is provided by co-ops and government utilities, which benefit from annual subsidies of between $748 and $1,078 per customer. In that already-distorted market for power, "the current ability of public entities to assert political control . . . so skews a competitive marketplace that any further expansion of direct government service provision should be vigorously resisted." Davis is an economist and 20-year veteran of public policy research.

Report, December 1997
Washington Institute Foundation
#7275305 (policy notes, 2 pp.)
#7275523 (part 1, 15 pp.)
#7275524 (part 2, 13 pp.)



How I Stopped Worrying and Learned to Love Deregulation

by Michael K. Block, Robert Franciosi, and Melinda L. Ogle

What does deregulation of the utility industry mean for the residential consumer? The same benefits they received when other industries were deregulated: lower prices, more service options, and better use of natural resources for society as a whole.

Report, 1998
Goldwater Institute
#7275525 (14 pp.)

Ensuring Reliability in a Competitive Environment

by James L. Johnston

In December 1996, The Heartland Institute and Illinois Citizens for a Sound Economy cohosted a day-long conference on the best way to deregulate the electric utility industry. Jim Johnston, a director and policy analyst for The Heartland Institute, warned conference guests that ratepayers would be unlikely to see major price reductions following a forced vertical disaggregation of the industry, and that reliability of service would be compromised by "a huge unregulated increase in power transmission."

Excerpt, April 1997
The Heartland Institute
#7275203 (14 pp.)

Electric Utility Reform: The Free Market Alternative to Mandatory Open Access

by Clyde Wayne Crews Jr.

A brave new world of electric competition looms, if only we can navigate the stranded cost and open access issues . . . right? Absolutely not, contends Crews. Unless the exclusive franchise delivery model is dumped, we can count on an even more regulated future for electricity.

The Electricity Journal, December 1997
Electric Power Research Institute
#7275526 (12 pp.)

Hidden Phone Tax a Bad Way to Pay for Internet Access

by Stephen J. Entin

In a reprise of the old trick of using long-distance charges to subsidize local access, the FCC wants to pay for school Internet access with a telephone tax. Even if the Internet subsidy is justified—and that's certainly debatable—the subsidy should come out of a broad-based non-distorting tax.

IRET Congressional Advisory, December 1997
Institute for Research on the Economics of Taxation
#8021119 (3 pp.)

Income Tax

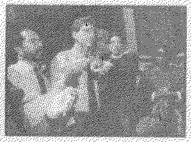
Bruce Bartlett

Can the IRS Be Reformed?

by Bruce Bartlett

No reform is possible for the IRS as long as it is being pressured to provide an ever-increasing revenue stream through an ever more complicated tax code.

Brief Analysis, December 1997
National Center for Policy Analysis
#8036302 (2 pp.)



Hon. Dick Armey

Hon. Billy Tauzin

Debate: Scrapping the Code: The Armey-Tauzin Debate

by the Hon. Dick Armey and the Hon. Billy Tauzin

Congressman Armey's proposed flat-rate income tax would eliminate 94 percent of the data required by the IRS. Congressman Tauzin's proposed national retail sales tax would eliminate *all* the data . . . and the IRS to boot.

Issue Analysis,
December 1997
Citizens for
a Sound Economy
#8024421 (17 pp.)

The National Sales Tax: Who Bears the Burden?

by Gilbert E. Metcalf

The principal concern about replacing the income tax with a national sales tax is that doing so would increase the relative tax liability for the poor. While that is true, contends Metcalf, the method of ranking people by annual income rather than lifetime income causes the effect to be overstated. Furthermore, ". . . it is relatively easy to construct a sales tax that protects the poor from paying any tax and is roughly as progressive as the current income tax," writes Metcalf, who is associate professor of economics at Tufts University.

Policy Analysis, December 1997
Cato Institute
#8076413 (part 1, 13 pp.)
#8076414 (part 2, 14 pp.)

Phase-Outs Are Bad Tax Policy

by Michael Schuyler

The arbitrary nature of tax deduction "phase-outs" violates any reasonable standard of fairness, complicates the tax code, and is biased against economic growth. Instead of adding more phase-outs, as was done in 1997, the government should be removing those already on the books.

IRET Policy Bulletin, January 1998
Institute for Research on the Economics of Taxation
#8036416 (20 pp.)

Pulse of the Polls: What to Do with a Budget Surplus?

With the prospect of federal budget surpluses looming, large majorities of Americans favor reducing the marriage penalty, cutting capital gains taxes and fuel taxes, and increasing government spending on health care.

Headway
February 1998
#0808117 (2 pp.)

Social Security

Anti-Privatization

Three New Papers on "Privatizing" Social Security, One Conclusion: Bad Idea

by John Mueller

The advocates of Social Security privatization, contends Mueller, made erroneous assumptions discussed in three associated papers. Mueller, who is senior vice president and chief economist for Lehrman Bell Mueller Cannon Inc., considers government the proper provider of the "foundation layer" of retirement income, just as it is the proper provider of national defense.

Lehrman Bell Mueller Cannon Inc., October 1997
National Committee to Preserve
Social Security and Medicare
#8078507 (15 pp.)

Can Financial Assets Beat Social Security? Not in the Real World

by John Mueller

Social Security privatizers neglect to calculate the "risk premium" on investments, contends Mueller. Furthermore, privatization schemes invariably limit choices for retirement savings, thereby lowering returns. Mueller's analysis shows that the highest *real* rate of return for retirees (adjusted for risk) is yielded by a mix of regular Social Security and private financial instruments.

Lehrman Bell Mueller Cannon Inc., October 1997
National Committee to Preserve
Social Security and Medicare
#8078502 (part 1, 17 pp.)
#8078503 (part 2, 16 pp.)

If Economic Growth Falls to 1.4%, What Happens to the Stock Market?

by John Mueller

Privatization advocates point out that the retirement of baby boomers will put an enormous strain on the Social Security system—but somehow they ignore the corollary strains it will produce in the investment markets. Mueller contends that the boomers' retirement will depress stock returns over the next 20 years to about 1.4 percent, and

Anti-Privatization
continued on page 18

Anti-Privatization
continued from page 17

hold returns over the next 75 years to only 3.2 percent—leaving pay-as-you-go Social Security a better deal for retirees.
Lehrman Bell Mueller Cannon Inc., October 1997
National Committee to Preserve
Social Security and Medicare
#7608410 (15 pp.)

The Economics of Pay-as-You-Go Social Security, and the Economic Cost of Ending It

by John Mueller

Defenders and opponents of Social Security neglect the fact that there is human, as well as physical, capital. Social Security's favorable rates of return in the 1950s allowed families to increase their investment in human capital: children. Privatization of Social Security, however, could lead to an inverse baby boom, and a loss to the economy of $3 trillion.
Lehrman Bell Mueller Cannon Inc., October 1997
National Committee to Preserve
Social Security and Medicare
#8078504 (part 1, 11 pp.)
#8078505 (part 2, 17 pp.)
#8078506 (part 3, 12 pp.)

Pro-Privatization

Saving Social Security

What does President Clinton's call for using the budget "surplus" to save Social Security amount to? In a word, nothing. The federal government will still have to use current revenues to pay Social Security benefits 20 to 30 years down the road.
Research Reports, February 1998
American Institute for Economic Research
#8078114 (4 pp.)

Australia's Privatized Retirement System: Lessons for the United States

by Daniel J. Mitchell and Robert P. O'Quinn

To reform Social Security, the U.S. should follow the example set by Australia's reformers: Be honest about the problems of the current system, appeal to self interest, and be sure to protect current beneficiaries.
Backgrounder, December 1997
The Heritage Foundation
#8078508 (18 pp.)

The Nightmare in Our Future: Elderly Entitlements

by John C. Goodman and Dorman E. Cordell

The "good news" is that "only" 40 percent of workers' incomes may be required to pay for Social Security and Medicare by the middle of the next century, though more pessimistic assumptions raise the take to two-thirds. Realistically, such levels of taxation will be unsustainable. Succinctly covering the background of the Social Security Ponzi scheme, the authors of this National Center for Policy Analysis report discuss politically feasible reforms that adhere to three basic principles: free choice of plan, favorable tax treatment for those opting for private plans, and security of benefits for current retirees.
Policy Report, January 1998
National Center for Policy Analysis
#3248301 (summary, 3 pp.)
#3248401 (part 1, 15 pp.)
#3248402 (part 2, 12 pp.)

TRANSPORTATION

Missing the Bus: The Fight to Contract Competitively for MBTA Bus Service

by Robert M. Melia

While the Massachusetts Bay Transportation Authority boasts high ridership, its rising costs could force service cuts. Private contracts might help. "Public agencies that contract competitively for bus service can expect to save 20 to 30 percent and maintain comparable quality," writes Melia, a former MBTA deputy budget director. However, the Massachusetts law governing contracting (the "Pacheco" law), under the guise of objective evaluation of contracts, largely prevents privatization.
White Paper, February 1998
Center for Restructuring Government
Pioneer Institute for Public Policy Research
#8152305 (summary, 5 pp.)
#8152424 (part 1, 16 pp.)
#8151425 (part 2, 17 pp.)

Private Roads and Public Benefits

by Joseph M. Giglio Jr.

The amount of money that governments currently pay for street maintenance could easily pay for hiring private firms to do the work. Doing so would generate improvements in management, efficiency in service, and less complicated access to capital.
Outlook, December 1997
Hudson Institute
#8152426 (12 pp.)

Roads Without the State

by Peter Samuel

Advances in electronic toll collection make it possible to look forward to a highway system that charges those who actually use them. Better still, completely privatized highways may be on the not-too-distant horizon.
The Freeman, January 1998
Foundation for Economic Education
#8105134 (4 pp.)

Traffic Congestion and the Work Week

by John Semmens

Rather than pour billions of dollars into mass transit projects, government could perform a real service by highlighting traffic-reducing alternatives: telecommuting, proximate commuting, flex time, and compressed work weeks.
The Pragmatist
February 1998
#8105135 (2 pp.)

Special Report on Welfare Reform

Little Miracles: How Churches Are Responding to Welfare Reform

by Amy L. Sherman

Churches have been leading the way in welfare reform, taking up the enormous challenge of moving people from welfare to work. They are critical to the success of welfare reform . . . and, fortunately, seem more than willing to make the long-term commitments necessary for success.

The American Enterprise, January/February 1998
American Enterprise Institute
#9265108 (5 pp.)

Why Welfare Reform Can't Succeed Without the Help of Religious People

by Robert L. Woodson Sr.

Faith-based remedies to the social ills of contemporary America have proven phenomenally successful with the poor and disadvantaged. But we too often forget, Woodson contends, that religion can also address the spiritual ills that plague many mainstream Americans.

The American Enterprise, January/February 1998
American Enterprise Institute
#9265107 (3 pp.)

The Shocking Success of Welfare Reform

by Steven Hayward

Welfare reform is in high gear nationwide. In one Michigan county, the number of welfare recipients not working is *zero*! Doomsayers have been proven wrong, as the number of homeless and destitute has not increased.

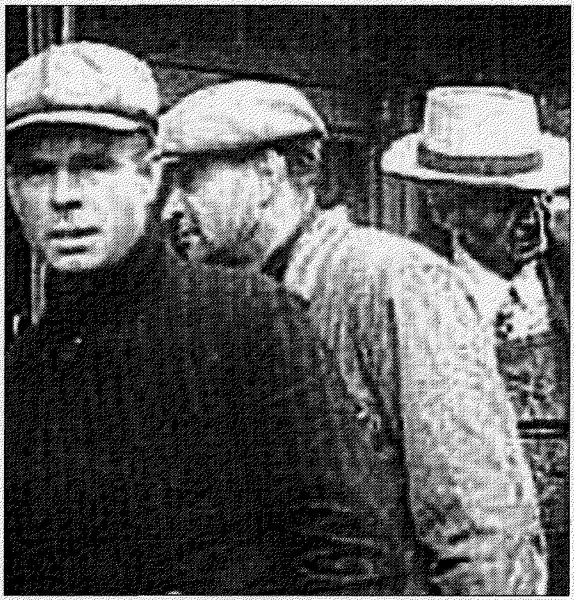
Policy Review, January/February 1998
The Heritage Foundation
#9236102 (5 pp.)

What Government Must Do: Make Welfare Unappealing or Reform Will Fail

by Charles Murray

Murray warns that most of welfare reform's success to date can be attributed to tough rhetoric, rather than real reform. Congress appears to have lost its resolve for welfare reform, and the President never had any . . . so the rhetoric is more muted than before. Unless the reforms themselves are toughened, we can expect welfare caseloads to start growing.

The American Enterprise, January/February 1998
American Enterprise Institute
#9265109 (2 pp.)



Making Welfare Work: Lessons from the Best and Worst State Welfare Reform Programs

by Merrill Matthews Ph.D. and Kristin A. Becker

States whose welfare reform efforts have been most successful boast bi-partisan political commitment to reform; emphasize no-nonsense work requirements; and stress personal responsibility. States that have failed lack political support for the process, have resistant bureaucracies, and offer high benefits with no strings attached.

Policy Backgrounder, December 1997
National Center for Policy Analysis
#9236404 (part 1, 11 pp.)
#9236405 (part 2, 12 pp.)

Welfare Reform: Can the States Fly Solo?

Four state welfare officials—Eloise Anderson of California, Vance McMahan of Texas, Don Taylor of Mississippi, and Jason Turner of Wisconsin—discuss what the 1996 welfare reform legislation will mean for their states.

Policy Review, November-December 1996
The Heritage Foundation
#9275406 (6 pp.)

Privatizing Welfare in Wisconsin: Ending Administrative Entitlements—W-2's Untold Story

by David Dodenhoff Ph.D.

Much has been written about Wisconsin's pioneering welfare reform effort, with its strong emphasis on work placement for welfare recipients. Less noticed, but equally important to Wisconsin's success, have been the reforms carried out with respect to the *administration* of the program. Without costing a single government employee his job, the participation of private vendors in administering Wisconsin's welfare program is saving the state more than $5 million per year—and improving results.

Report, January 1998
Wisconsin Policy Research Institute
#9272434 (part 1, 16 pp.)
#9272435 (part 2, 16 pp.)

Evergreen Freedom Foundation

featured Organization

The Evergreen Freedom Foundation is dedicated to upholding and strengthening the fundamental principles of individual liberty, free enterprise, and responsible and limited government. Its research, educational materials, and public policy alternatives focus on economic opportunity for all citizens through our free enterprise system; responsible, pro-family state tax and budget policies; equitable and sensible land use, environmental, and natural resource management; and reform of our welfare, health care, and educational systems through individual responsibility and diverse choices.

Welfare Reform That Really Works #1: Welfare Reform Principles

One-quarter of all citizens qualify for some government assistance. Seven principles are proposed here as guides to reforms that would *really* end welfare as we know it.
Policy Highlighter, January 1997
Evergreen Freedom Foundation
#9275104 (2 pp.)

Welfare Reform That Really Works #2: Turning Bureaucracy from Welfare to Work

Presents a legislative agenda for improving the state welfare bureaucracy in ways that better reflect current private-sector management practices.
Policy Highlighter, January 1997
Evergreen Freedom Foundation
#9275105 (2 pp.)

Welfare Reform That Really Works #3: Oregon's *Jobs* and *Jobs Plus* Programs

Oregon's program of two to six weeks of focused training, job placement assistance, and employer incentives has helped more than 45,000 people enter the workforce since 1990.
Policy Highlighter, January 1997
Evergreen Freedom Foundation
#9275103 (2 pp.)

Welfare Reform That Really Works #4: Wisconsin Calls It *Welfare Replacement*

by Karen Woods
Wisconsin has the most successful welfare reform program in the nation; its caseloads have fallen by 52 percent from January 1987 to December 1996.
Policy Highlighter, February 1997
Evergreen Freedom Foundation
#9275107 (2 pp.)

Welfare Reform That Really Works #5: Massachusetts: "No Fear Reform"

by Karen Woods
Massachusetts has lowered its caseload by 20 percent since instituting welfare reforms, and doomsayers who predicted social service devastation have been proven wrong.
Policy Highlighter, February 1997
Evergreen Freedom Foundation
#9275108 (2 pp.)

Welfare Reform That Really Works #6: Virginia: "Yes We Can"

by Karen Woods
The Virginia Initiative for Employment not Welfare (VIEW) has led to a 300 percent increase in the number of welfare recipients working.
Policy Highlighter, February 1997
Evergreen Freedom Foundation
#9275109 (2 pp.)

Welfare Reform That Really Works #7: Miss Liberty Doesn't Know Them

by Karen Woods
Most non-citizen SSI recipients are elderly and apply for welfare within five years of their arrival in the U.S. Ceasing to be the land of opportunity, America is beginning to look like a nursing home.
Policy Highlighter, March 1997
Evergreen Freedom Foundation
#9275111 (2 pp.)

Welfare Reform That Really Works #8: Will Washington State Welfare Reform Move People to Employment?

by Karen Woods
Successful welfare reform embraces work for everyone. Training and education programs aren't work . . . and they don't work.
Policy Highlighter, March 1997
Evergreen Freedom Foundation
#9275112 (2 pp.)

Welfare Reform That Really Works #9: What is "Work"? Does it Matter?

by Karen Woods
When it comes to getting off welfare, labor force participation is superior to training programs. Redefining training programs as "work" only perpetuates welfare dependency.
Policy Highlighter, April 1997
Evergreen Freedom Foundation
#9292101 (2 pp.)

Welfare Reform That Really Works #10: Welfare is Not a Safety Net for Children!

by Karen Woods
Welfare reform approaches that concentrate on immediately moving aid recipients to the labor force are better than training programs. Work programs help children by combating the culture of dependency that generates more poverty.
Policy Highlighter, April 1997
Evergreen Freedom Foundation
#9200109 (2 pp.)

Tax Credits

Charity Tax Credits—And Debits

Peter S. Barwick, Merrill Matthews Jr.,
Robert Rector, Grace-Marie Arnett,
and Stanley W. Carlson-Thies

Charity tax credits have been proposed to encourage persons to contribute to private "welfare" efforts. Donors to a private charity would reduce the amount of federal taxes they owe by the amount of the contribution. Advocates of the tax credit approach view credits as a transitional phase toward the eventual complete elimination of government welfare. Opponents, however, fear that tax credits will further corrupt charities that already see political advocacy as their primary role.

Policy Review, January/February 1998
The Heritage Foundation
#9272433 (9 pp.)

Charity and Welfare: Redefining the Roles of Nonprofits and Government

by Daniel T. Oliver and Peter S. Barwick

A double-barreled offering: Oliver provides a succinct review of *Seducing the Samaritan*, showing how government funding corrupts and confounds charities. Barwick spells out a proposal for a charity tax credit linked to a dollar-for-dollar reduction in state welfare.

Alternatives in Philanthropy, December 1997
Capital Research Center
#9265110 (8 pp.)

Housing and Homelessness

The Inherent Flaws of HUD

by Howard Husock

Established in the 1960s, the federal Department of Housing and Urban Development (HUD) was founded on the premise that urban decline could be countered by public investment in a framework of metro-government. But the premise was wrong: Cities, viewed as metropolitan areas, are *not* in decline, and HUD's projects have been unmitigated disasters. Why continue to appropriate funds to an agency with a 30-year track record of fraud and failure?

Policy Analysis, December 1997
Cato Institute
#9232411 (part 1, 12 pp.)
#9232412 (part 2, 13 pp.)

The Rise and Fall of the Homeless

by Andrew Peyton Thomas

"Except for the mentally ill, who became pathetic pawns in the debate, the homeless are manifestly not just like us. They are fellow citizens who deserve our love and compassion. But those same qualities require that they be held to a higher standard than the self-destructive behavior that distinguishes them. The homeless are homeless not because of a cruel twist of fate, but because, by and large, they have turned their backs on their loved ones and communities, preferring to go it alone."

Article, April 1996
The Weekly Standard
#9232407 (5 pp.)

Now Let's Put Time Limits on Public Housing

by Howard Husock

Like other welfare programs, public housing generates dependency on government. Fairness to others awaiting help requires that housing assistance also be surrendered after a time to those who may be worse off.

The American Enterprise, January/February 1997
American Enterprise Institute
#9232106 (2 pp.)

Repairing the Ladder: Toward a New Housing Policy Paradigm

by Howard Husock

Examines the reasons why housing policy for the poor has been troubled and ineffective, and sketches both an overall vision and specific details of an alternative policy, based on ongoing, already-successful initiatives.

Policy Study, July 1996
Reason Foundation
#9232301 (introduction and conclusion, 10 pp.)

Feeding the Hungry: Should Food Charities Fear Welfare Reform?

by Robert Lerner Ph.D. and Althea K. Nagai Ph.D.

Demand for the services of food banks seems to be driven more by the attraction of free food than it is by actual poverty. At current levels of public assistance, few Americans are too poor to buy food—many just seem to have poor budgeting skills.

Alternatives in Philanthropy, January 1998
Capital Research Center
#9234402 (8 pp.)

Income and Poverty

Debate: Should We Be Worried about the Widening Gap between Rich and Poor?

by Kathryn Larin and Stephen Moore

The poorest fifth of families in the U.S. saw a 20 percent decline in income, and America's middle-class seems to be shrinking. However, notes Moore, income mobility is higher than ever, and the middle class is dwindling because it is moving into high income categories.

Symposium, February 1998
Insight
#9240102 (4 pp.)

What Is the Real Cause of Poverty?

by Walter Block and J. Patrick English

Population control purists claim that over-population is the root cause of poverty. An impartial survey of world prosperity, however, shows that the true predictor of poverty is lack of economic freedom.

Fundamentals of Prosperity, February 1997
The James Madison Institute
#9219401 (13 pp.)

The Economics of Poverty

by Walter E. Williams

Today in the United States there is no general material poverty, but the welfare system erected to combat poverty has undermined morality and encouraged self-destructive behavior.

Vision & Values, January 1997
Grove City College
#9219101 (8 pp.)

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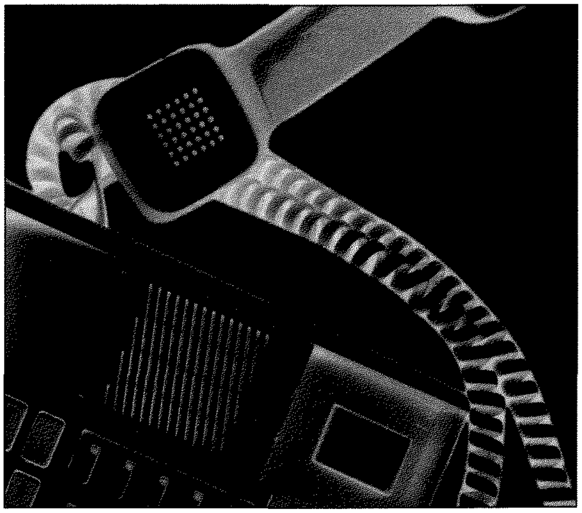

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Welfare System Continues to Grow

Robert Rector

Robert Rector is a
welfare expert at
The Heritage Foundation.

The U.S. welfare system, defined as programs that give assistance exclusively to poor and low-income persons, consists of over 75 major interrelated and overlapping federal programs. Many states also operate their own programs. Combined, the federal and state welfare system provides cash aid, food, medical aid, housing assistance, energy assistance, jobs and training, targeted and means-tested education, social service, and urban and community development programs.

Total federal and state spending on welfare programs equaled $407.2 billion in 1997. Of that total, the federal government spent $296.3 billion (73 percent), while $110.9 billion (27 percent) came from state or local funds.

Of total welfare spending, 51.1 percent is devoted to medical programs. Cash programs take 23.3 percent. Food, housing, and energy programs comprise 16.1 percent, while education aid, job training, social services, and community aid account for 9.3 percent.

How the Welfare State Has Grown

In his 1964 State of the Union address, President Lyndon Johnson launched the "War on Poverty." The growth of the welfare state since that time has been staggering.

- After adjusting for inflation, welfare spending has risen in every year but three;
- Inflation-adjusted welfare spending is now ten times greater than in 1965;
- Inflation-adjusted cash, food, housing, and energy aid are seven times greater today than when the War on Poverty began.

The growth of welfare spending has been particularly rapid over the last ten years. In constant dollars, total welfare spending is now 70 percent higher than when Ronald Reagan left the White House ten years ago; total cash, food, and housing aid has nearly doubled.

Total Cost of the War on Poverty

Between 1965 and 1997, welfare spending cost taxpayers $6.98 trillion (in constant 1997 dollars). After adjusting for inflation, the cost of the War on Poverty has been more than twice the price tag for defeating Germany and Japan in World War II.

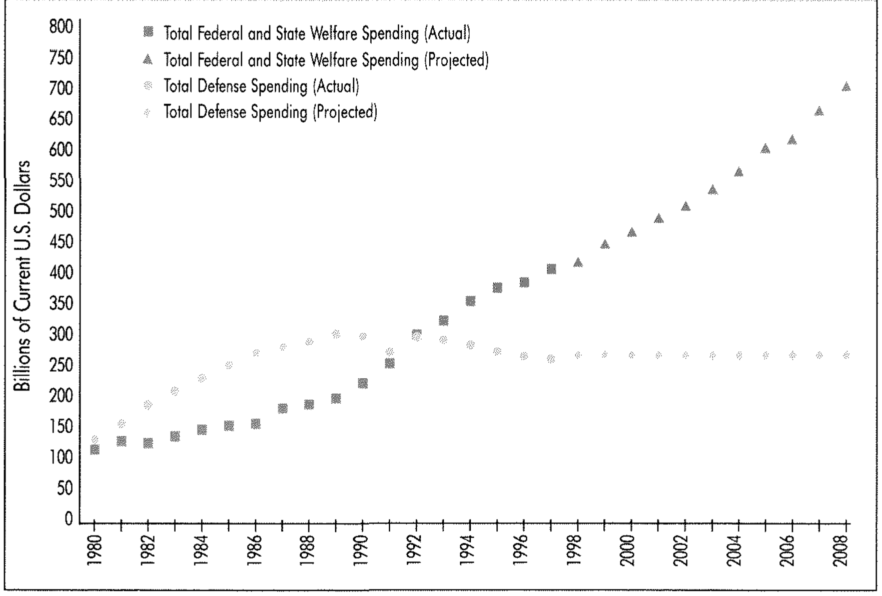
The $6.98 trillion cost of the War on Poverty nearly equals the entire cost of the private-sector industrial and business infrastructure of the U.S. For $6.98 trillion one could purchase every factory and all the manufacturing equipment, with enough money left over to purchase every airline, railroad, trucking firm, the entire commercial maritime fleet, every telephone, television, and radio company, every power company, every hotel, and every retail and wholesale store in the nation.

President Clinton: King of Welfare Spenders

Despite his campaign pledge to "end welfare as we know it," President Clinton has aggressively promoted an expansion of most welfare programs during his years in the White House. By 1995 (the year Republicans took control of Congress), the President's policies had made him "king of the welfare spenders," as the cost of welfare reach an historic high, representing 5.2 percent of the national economy.

Even worse, federal welfare spending can be expected to continue to grow rapidly. According to Congressional Budget Office figures, federal welfare spending will increase by roughly 5 percent per year for the next half-decade, almost twice the rate of inflation. By the year 2003, total federal and state welfare spending will have risen to roughly $530 billion per year, and the U.S. will be spending almost two dollars on welfare for every dollar it spends on national defense.

Welfare and Defense Spending, 1980-2008



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The Economics of Poverty
Economist Walter Williams notes that welfare has undermined morality and encouraged self-destructive behavior. (Grove City College, January 1997, 8 pp.)

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A High Price to Pay for Peace

by Ezola Foster

Gun control advocates are intensifying their movement to disarm America. As has too often been true for such causes, my city of Lost Angels (Los Angeles) is again providing the momentum.

Considered the city that leads the nation in bank robberies, Los Angeles recently experienced its "bloodiest" yet at a North Hollywood Bank of America branch.

Two robbers, bullet-proof-vested from their necks to their ankles and carrying automatic weapons, engaged in a military-style firefight with Los Angeles Police (LAPD) and other law enforcement officers. Eleven officers and six bystanders were injured.

> *After their convictions, the two robbers received court approval to recover nearly all of their gear. The request to release the ammunition, clips, vests, and other items came from defense attorneys with concurrence from the district attorney's office and the Glendale Police Department.*

Each robber was fatally shot in the head (the only part of their bodies not "bullet-proofed") in a battle that stunned the nation with its live, televised pictures of the blood bath.

The fact that this tragedy occurred directly contradicts the claims of gun control advocates made during debate over the Brady Bill. Named for James Brady, President Ronald Reagan's press secretary who was seriously wounded during the 1981 assassination attempt on the president, the measure is the toughest gun-control bill passed by Congress since the 1968 ban on mail-order rifle sales.

Announcing passage of the Brady Bill, *The New York Times* reported, "The legislation will also provide states with more than $200 million to upgrade their computerized records on criminals."

Either California did not receive enough of the $200 million to upgrade its records, or upgraded records do not prevent criminals from carrying out illegal activities with illegal guns.

Court documents show that the two Los Angeles robbers had been arrested in October 1993, when Glendale (a Los Angeles suburb) police caught them with a carload of weapons and military gear including AK-47s, 9-millimeter handguns, six smoke grenades, two homemade explosives, a gas mask, police scanners, bulletproof vests, a stopwatch, gloves, sunglasses, wigs, ski masks, and other clothing.

Citing lack of evidence to prove a conspiracy, prosecuting Deputy District Attorney James Grodin charged the robbers with several less-serious weapons changes, for which the two were sentenced to less than four months in jail.

After their convictions, the two robbers received court approval to recover nearly all of their gear. Los Angeles Superior Court Judge Thomas W. Stoever said the request to release the ammunition, clips, vests, and other items came from defense attorneys with concurrence from the district attorney's office and the Glendale Police Department.

Despite the fact that the use of automatic rifles and armor-piercing bullets is already illegal under past editions of gun control, California legislators and the President used the bloody North Hollywood episode to call for *more* gun control.

Assemblyman Don Perata (D-Alameda) was quoted as saying he "hoped the violence in North Hollywood would help gun-control advocates overcome the powerful gun lobby."

State Senators Richard Polanco and Tom Hayden, both Los Angeles Democrats, called not only for strengthening the federal assault-weapons ban, but also for cities to pass gun-control ordinances.

President Clinton, who called the U.S. citizens residing in the state of California "bigots and racists" for wanting immigration laws enforced, has proposed several "gun control" bills of his own—one of which would include a "proof of residency" requirement.

The President's policy allowing illegals to enter our country at will—at any time and in any manner—while at the same time telling law enforcement agencies and the IRS not to cooperate with the Immigration and Naturalization Service ("Hands off illegals—only American citizens need to obey the law") should cause Americans to question these proposed gun control laws.

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Ezola Foster is a political commentator and has appeared on CNN & Company, NewsTalk Television, and CBS, NBC, and ABC newscasts. She is the author of "What's Right for All Americans" and president/founder of Americans for Family Values, based in Venice, California. This essay first appeared in the April 1997 issue of *Headway* magazine and is reprinted here with permission. Copyright © 1997.

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Paycheck Protection: Giving Workers a Voice

by Erica Olsen

The AFL-CIO is approaching this year's midterm election with a different strategy than it employed in the half-billion-dollar failure to unseat congressional conservatives in 1996. Big Labor promises to use fewer in-your-face tactics and more carefully crafted messages aimed at specific groups, such as women. The union is also grooming candidates at its National Labor Political Training Center, hoping to have at least 2,000 ready by the year 2000.

The union is also pouring millions of dollars into defeating pending state and national legislation that would restrict unions' ability to spend membership dues for political action without members' permission, generically referred to by supporters as "Paycheck Protection." Paycheck Protection would prohibit unions from using members' dues for political action without their written consent.

> *The Paycheck Protection initiative is not an effort to silence unions, nor is it a partisan issue. It is a disclosure issue.*

The AFL-CIO intends to finance anti-Paycheck Protection activity through yet another special assessment on members' paychecks, planning to raise some $15 million. Rank-and-file members were not given the opportunity to vote on this assessment; the AFL-CIO executive council simply decided to raise union dues.

Do members support their unions' agenda for the 1998 election year? No one knows for sure, though some recent polls suggest they do not. That's why Paycheck Protection is so badly needed, note its supporters: it would give workers a way to choose to contribute to the union's political activity, or to reject that activity by keeping funds that are now automatically deducted.

> *The number of workers contributing to The Washington State employees union political fund went from 40,000 to 82.*

In Nevada, the state Republican Party has introduced an initiative petition to put Paycheck Protection on the November ballot. If they succeed, and if the measure is approved by voters in November, it would go before the state legislature in 1999. If it fails there, it would be put to the voters again in 2000.

A GOP poll conducted in January found that 70 percent of Nevadans support the initiative. But an AFL-CIO poll counters that union members, by a 6-to-1 margin, want their unions to speak out in the political and legislative arenas.

Support for Paycheck Protection initiatives is growing across the country. Alaska, Arizona, Colorado, Florida, Michigan, Missouri, Ohio, Oregon, and several other states are circulating a similar petition, to be voted on this election season. In California, enough signatures have been collected to assure that the initiative will be on the state's June primary ballot. No doubt, from the perspective of some union officials, the situation is alarming.

"When they say they are trying to protect union members, that's an outright lie," says Danny Thompson, political director for the Nevada AFL-CIO. "All this is, is an effort to spend our money and try to shut us up."

But the Paycheck Protection movement is not about silencing the union. It's simply about giving each union member the right to make a choice.

When Washington State teacher union members were given a choice, the number of members who contributed to the political fund dropped from 45,000 to 8,000. The state employees union was hit even harder; the number of its contributors went from 40,000 to 82. The Paycheck Protection initiative was passed by Washington voters in 1992.

"The amendment is aimed straight at the fundraising ability of organizations which usually support Democrats," contends a *Reno Gazette-Journal* editorial. Former Teamster official Duke Zeller and other labor experts estimate that between $300 and $400 million was spent by labor unions on 1996 elections nationwide. Roughly $59 million in federal campaign contributions, including "soft money," was given to Democrats. About $4 million was contributed to Republicans. Labor unions are the single biggest contributor to the Democratic Party.

Contrary to what is implied by the AFL-CIO poll cited earlier, over 58 percent of union members say they did not realize that part of their dues went for political activity. By exploiting this worker ignorance, labor unions have become one of the country's most formidable special interest groups, pushing an agenda most of their rank-and-file do not support. A March 1997 *Wall Street Journal* editorial contends that over 40 percent of union members do not support the Democratic Party.

The Paycheck Protection initiative is not an effort to silence unions, nor is it a partisan issue. It is a disclosure issue. Workers want to know—and have a right to know—what political agenda their dues are being used to advocate. They also should have the right to decide for themselves whether to support that agenda. Should such worker freedom deprive one political party of a substantial source of funding, so be it. Labor unions are supposed to exist to support their workers—not the other way around.

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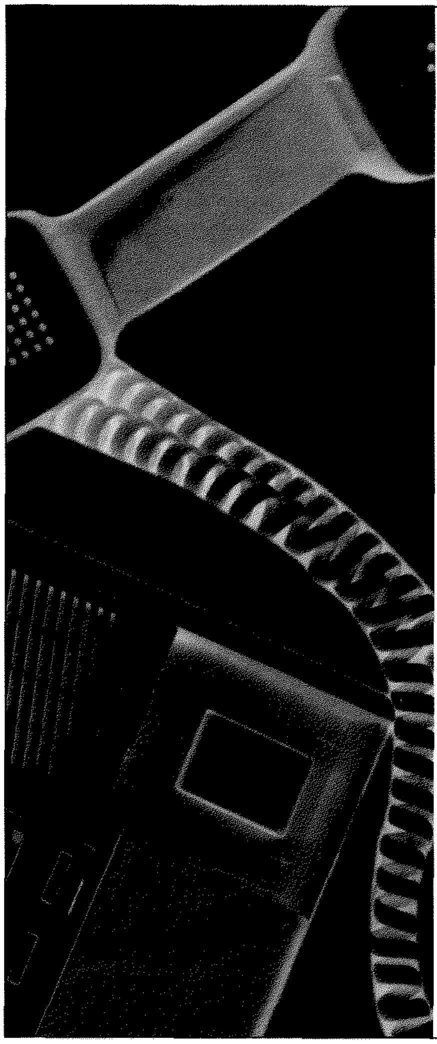

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How to Make Students and Teachers Want to Succeed

by Herbert J. Walberg

In the 1983 report "A Nation at Risk," the National Commission for Excellence in Education declared that schools jeopardize America's future. Since then, legislators and school boards futilely spent billions of tax dollars on reduced class sizes, higher teacher salaries, procedural regulations, increased testing, and other reforms. Though incentives remain to be widely tried, I describe below a new experiment that shows their power to increase the productivity of schools.

Schools—the very institutions that academically prepare children for adult life—lack standards and incentives.

The Absence of Incentives in Schools

Of course, most economists and psychologists think people respond to significant incentives. Parents and business managers routinely use incentives to elicit desired behavior. The lure of the top ranks in competitive sports attracts immense energies of youth and adults. Because they expect later compensation, college students strive for admission to the best professional schools of business, law, and medicine.

Yet schools—the very institutions that academically prepare children and youth for adult life—lack standards and incentives. School boards and administrators, for example, neither measure nor reward teachers' individual accomplishments. Contracts with unions require that teachers be paid according to their degrees and years of experience, neither of which affect how much their students learn.

During the past several decades, such contracts led to sharply rising costs and poor results. For example, the last two "Education at a Glance" reports of the Paris-based Organization for Economic Cooperation and Development ranked affluent countries' per-student spending on elementary and secondary schools adjusted for purchasing power. In those comparisons, U.S. schools ranked either highest or second highest in spending but lowest in achievement gains in mathematics, reading, and science.

Almost two-thirds of students reported they could do much better in school if they tried. Nearly 80 percent said students would learn more if schools made sure they were on time and did their homework.

Student Incentives

As they themselves agree, students also lack incentives. A 1996 Public Agenda national survey of high school students showed that three-fourths believe stiffer examinations and graduation requirements would make students pay more attention to their studies. Three-fourths also said students should not graduate who have not mastered English, and a similar percentage said schools should promote only students who master the material.

Almost two-thirds of students reported they could do much better in school if they tried. Nearly 80 percent said students would learn more if schools made sure they were on time and did their homework. More than 70 percent said schools should require after-school classes for those earning Ds and Fs.

What Teachers Are Taught

In these respects, educators are taught by professors whose views differ sharply from students and the public. A 1997 Public Agenda national survey of professors of education showed that 64 percent think schools should avoid competition. More favored giving grades for team efforts than favored grading individual accomplishments.

Many employers, colleges, graduate schools, and professional accrediting agencies employ standardized multiple-choice examinations because they are objective and reliable. Yet, 78 percent of teacher educators wanted less reliance on them.

Seventy-nine percent of the teacher educators agreed that "the general public has outmoded and mistaken beliefs about what good teaching means." They apparently forgot that "the general public" pays for the schools and constitutes their customers.

Nearly two-thirds of teacher educators admitted that education programs often fail to prepare candidates for teaching in the real world, and only 4 percent reported that their programs typically dismiss students found unsuitable for teaching. Thus, even starting with their undergraduate education, many educators are inculcated with anti-competitive ideas against standards and incentives.

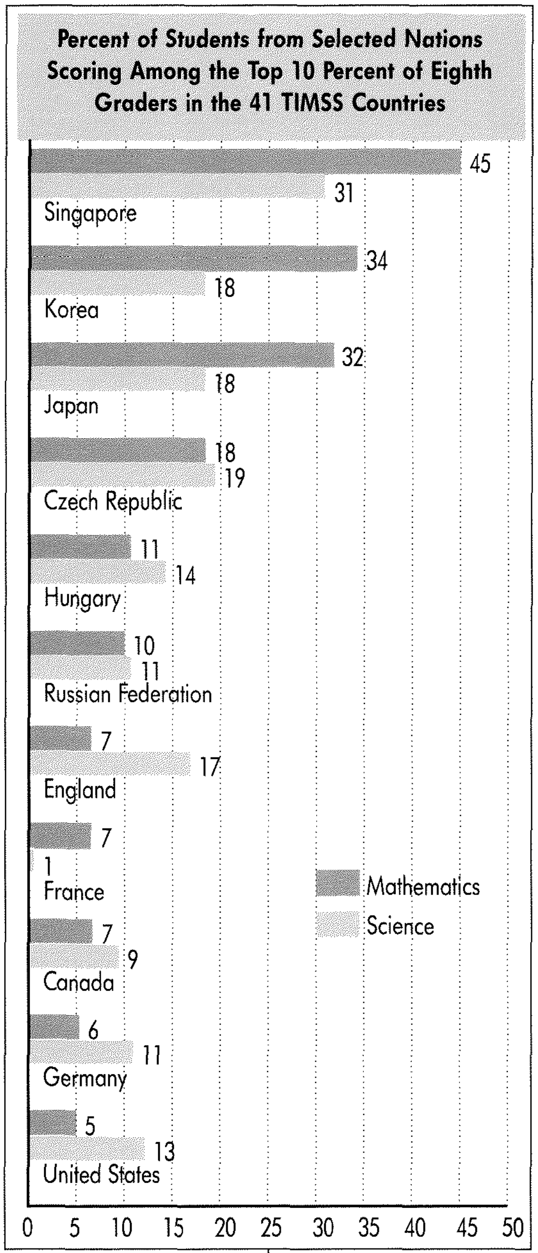
An Incentives Experiment

I recently studied what is to my knowledge the first clear-cut trial of monetary incentives in schools, the Advanced Placement Incentive Program funded by the O'Donnell Foundation of Dallas. The program made use of the Advanced Placement examinations, the only national tests that provide standards of passing and failing for individual students. Over one-half-million high school students now take AP exams on the content of more than 25 college-level courses. Over 2,500 colleges grant course credits for passing grades, allowing students to graduate early or take more advanced college courses.

The O'Donnell Foundation began the Incentive Program in response to widely voiced concerns about poor academic performance in Texas, which, no longer depending on agriculture and oil, must compete with other states and nations in increasingly technical industries. Of the typical 100 Texas students who entered kindergarten in 1981, only 72 graduated from high school in 1994. Only 36 of the original 100 entered higher education, and only 18 were expected to finish college in 1998. Test scores for students in the Dallas Independent School District, where the trial took place, had declined even more than elsewhere, and Anglo, African-American, and Hispanic students showed large disparities in their *academic performance.*

Beginning with the 1990-91 school year, the Incentive Program paid students $100 for each passing Advanced Placement examination score in English, calculus, statistics, computer science, biology, chemistry, and physics, plus a $73 reimbursement for the cost of taking the exam. The program also provided a $2,500 stipend to teachers of advanced courses in these subjects and $100 for each of their students who achieved passing scores.

In the nine participating Dallas schools, sharply increasing numbers of boys and girls of all ethnic groups took and passed the AP exams. The number of students passing AP exams rose more than twelve-fold—from 41 the year before the program began to 521 when it ended in 1994-95. The program also had carry-over effects: *In the 1996-97 school year, two years* after the program ended, 442 students passed, about eleven times more than the number passing in the year before the program began.


Percent of Students from Selected Nations Scoring Among the Top 10 Percent of Eighth Graders in the 41 TIMSS Countries

Though such numbers speak for themselves, interviews with students, teachers, and college admission officers revealed high regard for the Incentive Program. They felt that even students who failed AP exams learned better study habits and the importance of hard work to meet high standards. In addition, the program had other benefits: It allowed tuition savings for students who graduate from college early and more advanced college courses for students who prefer them. Those who passed AP courses also had a better chance for merit scholarships and entry into selective colleges.

Policy Implications

The Incentive Program shows that standards and incentives work in schools as they do in many spheres of life. Graduating students for mere attendance is insufficient. Nor can paying teachers for their years of experience bring out their best. Rational people require reasons to change.

School policy-makers should try further incentives and evaluate the results. Several possibilities are intriguing. The O'Donnell Foundation, for example, demonstrated that incentives work for English, mathematics, statistics, and science courses. Would incentives work for history, foreign languages, and other subjects?

Business and factory managers often complain about the poor quality of high school graduates, but they rarely review the high school records of prospective employees. Would better workforce preparedness be encouraged if those employers paid *starting wage premiums for those with* high test scores?

Legislators are disappointed with the realities of expensive education reforms. Would incentives work better? Would, for example, an honors diploma and reduced state college tuition for students who pass rigorous examinations improve the quality and productivity of state education systems? Would state-funded incentives encourage students to take rigorous high school courses, graduate from college early, and thereby save tax funds?

Should school boards and administrators inform themselves of the achievement gains of each teacher's students in conducting performance reviews? Should students at poorly achieving schools be allowed to go elsewhere? Should state and local funds follow them to new schools of their choice? Would such induced *competition cause poorly achieving* schools to improve?

The opportunities for introducing incentives into education would appear to be endless, and the benefits of embarking on many such experiments are clear.

◆

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National Legal Center for the Public Interest
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National Rifle Association of America
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703/267-1000, fax 703/267-3918, contact@nra.org

National Right to Work Committee
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703/321-9820, fax 703/321-7342

National Tax Limitation Committee
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916/786-9400, fax 916/786-8163, LKUHLER@ns.net

National Taxpayers Union
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703/683-5700, fax 703/683-5722

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Oklahoma Citizens for a Sound Economy
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46204-1725, 317/639-6546, fax 317/236-7370

Pioneer Institute
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75374.643@compuserve.com

Privatization Research Organization,
School of Public Affairs
Baruch College/City University of New York,
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212/802-5909, fax 212/802-5903

The Progress and Freedom Foundation
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The Property Rights Foundation of America Inc.
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Rockford Institute
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Rose Institute for State and Local Government
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